

that on next Monday evening, at 9 o'clock eastern war time, the Secretary of the Interior, Mr. Harold Ickes, will engage in a radio discussion over the blue network with the chairman of the subcommittee of the Committee on Public Lands and Surveys, which has been studying western resources and the problem of developing mineral deposits in continental United States, and of the possibility of developing and utilizing power from water and power from coal. I believe this matter, which has been the subject of a good deal of attention by the Committee on Public Lands and Surveys, merits the consideration of the country at large. The broadcast will be under the auspices of the Washington Star, and is on the program commonly known as the National Radio Forum.

Mr. President, there has been a mistaken assumption that the efforts of western Senators and Representatives to draw attention to the neglected natural resources of the West have to do with a purely sectional problem. I dare say it is considerably more than a sectional problem. It has to do immediately with procuring for the United States the critical and strategic minerals which are essential to the winning of the war. It has to do also with the development of local economic independence in such a manner that when the war shall have been won, as it will be won, there will remain opportunity for the employment of men and money in developing American minerals.

I venture to express the hope that this announcement may come to the notice of many people throughout the country who, I know, are interested in the subject matter of this broadcast. The Secretary of the Interior, responding to a letter written by the chairman of the subcommittee of the Committee on Public Lands and Surveys, which was published in the CONGRESSIONAL RECORD on January 9, last, has laid before the committee, before the Senate, and before the country, a comprehensive program which, if adopted, will make it possible to undertake immediately the mobilization of our much needed resources.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BUNKER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Pollard Hugh Mercer, to be postmaster at Winnfield, La., in place of F. H. Mercer.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

RECESS TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 28 minutes p. m.) the Senate took a recess until Monday, March 2, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate February 26 (legislative day of February 13), 1942:

DIPLOMATIC SERVICE

Pierre de L. Boal, of Pennsylvania, now Envoy Extraordinary and Minister Plenipotentiary to Nicaragua, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

Arthur Bliss Lane, of New York, now Envoy Extraordinary and Minister Plenipotentiary to Costa Rica, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Colombia.

Boaz Long, of New Mexico, now Envoy Extraordinary and Minister Plenipotentiary to Ecuador, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ecuador.

Wesley Frost, of Kentucky, now Envoy Extraordinary and Minister Plenipotentiary to Paraguay, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay.

Robert M. Scotten, of Michigan, now Envoy Extraordinary and Minister Plenipotentiary to the Dominican Republic, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Costa Rica.

Avra M. Warren, of Maryland, now a Foreign Service officer of class 1, assigned as Chief of the Visa Division in the Department of State, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Dominican Republic.

James B. Stewart, of New Mexico, now a Foreign Service officer of class 1 and Consul General at Zurich, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Nicaragua.

NATIONAL HOUSING ADMINISTRATOR

John B. Blandford, Jr., of the District of Columbia, to be National Housing Administrator.

DEPARTMENT OF LABOR

L. Metcalfe Walling, of Rhode Island, to be Administrator of the Wage and Hour Division in the Department of Labor.

APPOINTMENT IN THE NAVY

Capt. Jesse B. Oldendorf to be a rear admiral in the Navy for temporary service, to rank from the 27th day of November 1941.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 26 (legislative day of February 13), 1942:

POSTMASTERS

OHIO

Ethel A. Compton, Blacklick.
Martin M. Helwick, Bolivar.
Alex C. Franz, Jr., Cleves.
Robert L. Stygler, Gahanna.
Harry G. Benjamin, Mount Blanchard.
Lema M. Collins, Proctorville.
Mable L. Sloan, Rushsylvania.
Evelyn M. Barker, Sardis.

PROMOTIONS IN THE NAVY

The nominations of Bryson Bruce et al. for promotion in the Navy, whose names appear in full in the CONGRESSIONAL RECORD of February 18, 1942, under the caption "Nominations," beginning on page 1394.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 26, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In the blush of a new day, our heavenly Father, again Thou hast spoken unto us. In the pale light and in the glimmering of the dawn, Thou hast revealed Thyself over all and above all; in the kingdom of the soul we pray for Thy merciful presence. While hearts may feel faint and sick, let our eyes grow dim with tears of gratitude that Thou hast counted us as Thy children, rejoicing that works of righteousness cannot be repressed but that they make secure the moral and spiritual destiny of man.

With thankful breath we pray that "God is good" and glory be unto Thy name, O Lord Most High. By untiring and unselfish devotion at the altar of our country enable us to pour forth songs of a robust faith and cheer into the arteries of the world's soul. May our daily pledge be to our conscience, our country, and to our God that we shall leave such a heritage that history will not willingly let die. On bended knee we ask for strength to live within the right, believing that the glorious earth is one great land with Thee as Ruler and eternal truth the only sword. In the name of our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communi-

cated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On February 16, 1942:

H. R. 2372. An act for the relief of Paul E. Cook;

H. R. 3118. An act for the relief of the State Compensation Insurance Fund of California; and

H. R. 5164. An act for the relief of Arthur W. Jorgenson, and the legal guardian of Robert R. Jorgenson, a minor.

On February 18, 1942:

H. R. 446. An act for the relief of the estate of Opal June Lindsay, Luck A. Lindsay, Thelma Louise Lindsay, and Laura Kathleen Lindsay;

H. R. 3225. An act for the relief of Dale L. Barthel and others;

H. R. 3647. An act for the relief of the San Diego Consolidated Gas & Electric Co.;

H. R. 4354. An act for the relief of D. H. Dantzier;

H. R. 4773. An act for the relief of Brooks Equipment & Manufacturing Co.;

H. R. 5040. An act for the relief of William Robert Shaneyfelt and Mildred Shaneyfelt;

H. R. 5282. An act for the relief of J. W. Daughtry;

H. R. 5572. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel and certain Federal civil employees for personal property lost or damaged as a result of the hurricane and flood at Parris Island, S. C., on August 11-12, 1940," approved April 23, 1941; and

H. R. 5984. An act for the relief of Solomon Brown.

On February 19, 1942:

H. R. 5206. An act for the relief of Nettie Woolfolk Montague and Jerry L. Woolfolk and others; and

H. R. 6145. An act for the relief of Mason C. Brunson.

On February 20, 1942:

H. R. 329. An act for the relief of Lulu Heron;

H. R. 3539. An act to provide for the deposit and expenditure of various revenues collected at schools and hospitals operated by the Indian Service in Alaska;

H. R. 3542. An act to authorize the purchase from appropriations made for the Indian Service of supplies and materials for resale to natives, native cooperative associations, and Indian Service employees stationed in Alaska;

H. R. 3823. An act for the relief of Edwin B. Formhals;

H. R. 4198. An act for the relief of John King;

H. R. 5280. An act for the relief of G. F. Allen, chief disbursing officer, Treasury Department, and for other purposes;

H. R. 5387. An act for the relief of Mrs. Anna M. Paul; and

H. R. 6225. An act for the relief of certain individuals in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho.

On February 21, 1942:

H. R. 5773. An act for the relief of Libby, McNeill and Libby; and

H. R. 6548. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1942, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1942, and for other purposes.

On February 23, 1942:

H. R. 1905. An act for the relief of Mr. and Mrs. Michael Lewenczuk; and

H. R. 4831. An act for the relief of Katherine McCue.

On February 24, 1942:

H. R. 268. An act for the relief of James Wood;

H. R. 2712. An act for the relief of the Branchland Pipe & Supply Co.;

H. R. 2780. An act for the relief of O. C. Ousley;

H. R. 4537. An act for the relief of H. D. Bateman, Henry G. Conner, Jr., executor of the last will and testament of P. L. Woodard, and J. M. Creech;

H. R. 4622. An act for the relief of Catharine Schultze; and

H. R. 5056. An act for the relief of the Burlington Auto Co.

On February 25, 1942:

H. R. 2724. An act for the relief of the estate of Mary E. Philpot, Sandra G. Philpot, and Mrs. R. L. Keckler.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5880. An act to abolish certain fees charged by clerks of the district courts; and to exempt defendants in condemnation proceedings from the payment of filing fees in certain instances.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2255. An act to establish a policy with respect to the disposition of agricultural commodities acquired by the Commodity Credit Corporation.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein an article by Dr. N. R. Danielian, Director of the St. Lawrence Seaway Survey, United States Department of Commerce, entitled "Need for the St. Lawrence Seaway." This slightly exceeds the rule. I have an estimate from the Printer and the additional cost is \$123.75. I ask unanimous consent that it may be inserted notwithstanding.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I also ask unanimous consent to revise and extend my remarks and include an article by Mr. Richard L. Neuberger, of the Bonneville project, and Dr. Raver, Administrator.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COURTNEY. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Daily Herald of Columbia, Tenn.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the Boston Post of Thursday, February 5, 1942, with a copy of the statistics on the reverse side of the editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. POWERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and insert therein an editorial from that great independent newspaper of New Jersey, the Trenton Evening Times.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COURTNEY. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program and any other special orders that may have been granted, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection?

There was no objection.

CENSORSHIP

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

[Mr. WOODRUFF of Michigan addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein an editorial by Mr. Wilbur Peterson, of the Marshall Daily Messenger, of Marshall, Minn., which newspaper, by the way, has several times received national recognition for its editorial excellence.

The SPEAKER. Is there objection?

There was no objection.

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

[Mr. Young addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an address made by the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], on February 18 at Phoenix, Ariz.

The SPEAKER. Is there objection?

There was no objection.

[By unanimous consent, Mr. ANGELL was granted permission to extend his own remarks.]

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record. I have an estimate from the Public Printer which shows that it slightly exceeds the space limitation. The estimate is \$101.25. I ask unanimous consent notwithstanding the extra cost, to extend this in the Record.

The SPEAKER. Is there objection?

There was no objection.

[By unanimous consent, Mr. PLOESER was granted permission to extend his own remarks in the Record.]

LT. FRANKLIN D. ROOSEVELT, JR.

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILLIAM T. PHEIFFER. Mr. Speaker, we read in the newspapers that Lt. Franklin D. Roosevelt, Jr., who holds his lieutenantancy simply by virtue of accident of birth, although he has entirely

recuperated from a simple appendectomy, is being granted 1 month's shore leave so that the doctors may keep him under observation. The commanding officer of the Brooklyn Naval Hospital is quoted by the Associated Press dispatch as saying that the lieutenant is in fine condition.

Now, it is just this sort of thing that is causing so much criticism and justifiable resentment throughout the country. If the son of one of the poor families of your district or my district had completely recovered as has Lieutenant Roosevelt from an appendectomy, he would immediately be put back into the service after perhaps being given a few days in which to regain his sea legs. It simply symbolizes the vicious system whereby commissions are handed out on a silver platter and whereby the sons of prominent men are often given favored treatment in our armed services. I do not indict Lieutenant Roosevelt, but I do indict the practice of which he is a symbol—a practice whereby the sons of prominent men are advanced in rank above their more obscure fellows and become teacher's pets. There is no place for the slightest degree of favoritism in our armed services. Justice must be dispensed with an even hand to every man in the Army and the Navy. A soldier or a sailor from the humblest and most obscure family must stand on an equal footing in all respects with those who are members of the most prominent families in the land. That is a fundamental precept of our American form of government.

EXTENSION OF REMARKS

(Mr. JOHNSON of California and Mr. PADDOCK asked and were given permission to extend their own remarks in the RECORD.)

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the Committee of the Whole today and to include therein a letter addressed to me by the National Grange and one from the American Farm Bureau.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LT. FRANKLIN D. ROOSEVELT, JR.

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, I think we are sinking a little bit down the ladder in our thinking, and especially in our public utterances, when a Member of the House of Representatives takes the floor to make the criticism just made by the distinguished gentleman from New York who just addressed the House.

Lieutenant Roosevelt, the son of the President of the United States, has, I believe, a modest commission in the Navy—lieutenant, junior grade. He has been ill, he has been in the hospital. He is being kept there and he should be kept there until he has recovered and is physically able to return to the service. And this treatment, let me say to the gentle-

man from New York, is being accorded to every citizen in the United States armed forces today. The best we can give the boys, whether they be sons of the President or not, is none too good. We have appropriated hundreds of millions of dollars to give these boys fine environment in the cantonments and the very best in medical attention and medical treatment when they are ill. Shame on any man in this House who stands in the Well at a time like this and makes that sort of statement.

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HENDRICKS. Mr. Speaker, I did not know I was going to say a thing about operations when I first thought of asking for time, but I am constrained to do so by the remarks just made by the gentleman from New York. I have had an appendectomy and I assure the gentleman that while the operation may be simple, recovery absolutely is not, and one runs great danger in going back to work until he is fully recovered. I know the time Lieutenant Roosevelt was operated on and I know, regardless of what any doctor states, that he is not able to go back to active duty at this time.

I have not had much to say about criticism in the past, but I am going to have more to say about this sort of thing in the future. It is time the American people stopped this kind of foolishness.

I believe that Roosevelt junior is perfectly justified in not returning to duty until he is absolutely healed.

The purpose for which I rose was to say that we have had many splendid tributes paid to Florida's first hero of World War No. 2, Capt. Colin Kelly, but one of the finest tributes to be paid to him was that made by our colleague the gentleman from Alabama [Mr. BOYKIN] shortly after Captain Kelly's death. Not only did the gentleman from Alabama [Mr. BOYKIN] feel strongly about this matter, but he and his friends, Danciger Bros., of Fort Worth, Tex., have contributed \$500 to the Capt. Colin Kelly memorial fund and to Mrs. Colin Kelly. The people of Florida are grateful to FRANK BOYKIN and Danciger Bros., of Fort Worth, Tex., for this contribution and their splendid tribute to Captain Kelly.

I ask unanimous consent, Mr. Speaker, to extend my remarks and include a letter from the gentleman from Alabama [Mr. BOYKIN] and from Danciger Bros.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I was not on the floor when the remarks were first made about Lieutenant Roosevelt, but I have inquired and learned what was said. I join with the distinguished gentleman from Virginia [Mr. WOODRUM] in the answer he made.

The only effect of critical remarks of that kind is to undermine the respect of the American people for the President of the United States, a dangerous thing for men to play with in these days. It is an illustration of the sniping that is going on, individual sniping. That is all it is, individual sniping.

I know that every son of the President of the United States is seeking the most hazardous duty to which he can be assigned.

Members of Congress must discipline themselves the same as the American people in time of war. We have got to be hard-boiled. We have to discipline ourselves. As the leader of the House, as a Member of the House, and, as an American citizen, I urge that future utterances be tolerant and temperate, because we are playing with the future of our country. As the gentleman from Virginia [Mr. WOODRUM] well said the other day, our first task, not as Democrats, Republicans, or as members of any other group, but as Americans, is to win the war.

PERMISSION TO ADDRESS THE HOUSE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter that I have sent to my constituents, and also to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. EDWIN ARTHUR HALL]?

There was no objection.

CRITICISM

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I take the floor at this time not to offer criticism of the son of the President of the United States, but to defend the gentleman from New York [Mr. WILLIAM T. PHEIFFER] in at least one remark he made. He stated in substance that it is high time some consideration be given to the rank and file of American soldiery which is fighting so gallantly on every front that our Army and Navy have been assigned to defend.

Mr. Speaker, although the gentleman from Virginia [Mr. WOODRUM] was quick to criticize the gentleman from New York [Mr. WILLIAM T. PHEIFFER], it will be recalled that at the time I offered an amendment to give the boys in service transportation home during furlough, the same gentleman was just as eager to block that amendment as he is now to criticize other Members on the floor of the House. If you will read the RECORD of the debate which ensued over the Hall free furlough transportation amendment, you will find that the gentleman from Virginia [Mr. WOODRUM] characterized my proposal as "mushy-soft" legislation.

I urge that immediate consideration be given to the soldiers and sailors of the United States in the form of insurance for at least a \$5,000 policy to each man so that his dependents will be taken care of in case he does not return.

[Here the gavel fell.]

PENALTY FOR THEFT OF TIRES AND TUBES

Mr. TALLE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. TALLE]?

There was no objection.

Mr. TALLE. Mr. Speaker, I rise to call attention to H. R. 6635, a bill which I introduced several days ago and which proposes to make the theft of tires and tubes a Federal offense during the period of emergency.

Because of the rationing now in effect as a defense measure, the theft of tires and tubes has become a serious national problem. Obviously the increase in value and the consequent increase in thefts of these articles are the direct results of the restrictions placed on their sale and use.

In normal times the theft of a small article of this nature comes under the heading of petty larceny and is properly within the jurisdiction of local authorities. Under present circumstances, however, the theft of a single tire might conceivably make a motor vehicle inoperative for the duration of the war, thus causing irreparable damage to the owner and placing a further strain on public transportation systems.

Mr. Speaker, this is a Federal problem. It grew out of Federal regulations. The criminal statutes pertaining to stolen tires in the several States were enacted before the present situation developed. In this connection, it should be noted that only about eight of the State legislatures are in regular sessions and special sessions are contemplated in only four or five additional States. Consequently, prompt revision of State laws would not be possible in many instances. Furthermore, the States are not in position to cope with interstate traffic in stolen tires.

In order to protect the motoring public under these conditions it is my opinion that Federal legislation is not only desirable but, in fact, urgently necessary.

Mr. Speaker, I expect to make a further statement concerning this matter in the near future. In the meantime, I plan to present to the House Committee on the Judiciary testimony offered by leading automobile associations and automobile insurance companies in support of my bill.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include an address recently made by the gentleman from Massachusetts [Mr. MARTIN].

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MICHENER]?

There was no objection.

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and to include therein an address delivered by Father Butler, of St. Norberts College, Green Bay, Wis.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. JOHNS]?

There was no objection.

NAMING OF PROPOSED DAM IN ARKANSAS "DOUGLAS MACARTHUR DAM"

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. ELLIS]?

There was no objection.

Mr. ELLIS. Mr. Speaker, I have just introduced H. R. 6679, providing for the naming of a huge dam now under construction in Arkansas "Douglas MacArthur Dam."

Douglas MacArthur was born January 26, 1880, at Little Rock, Ark. Gen. Douglas MacArthur, the Washington of the Philippines, with his handful of men holding off the full tide of an ocean of Japs, is writing daily new pages in the history of democracy, of Christianity, and of free men everywhere.

On the White River in my district this giant multipurpose dam, to be the fifth largest such structure in the Nation, is now 20-percent complete. It is being built by the United States Army engineers as a war project. It will be helping to make more aluminum and other materials of war long after those brave men of Luzon have completed their final victory.

I propose, Mr. Speaker, that just as we named the project on the Arkansas in Colorado "John Martin Dam" by act of Congress, we now name this project on the Norfolk in Arkansas "Douglas MacArthur Dam."

PARLIAMENTARY INQUIRY

Mr. BEITER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BEITER. Mr. Speaker, a bill, H. R. 1057, known as the Postal Service employees longevity bill, passed the House on July 23, 1941. It passed the Senate in amended form on December 9, 1941, and has been in conference ever since December 10, 1941. Is there any procedure that the House may follow to discharge the conferees so that this legislation may be given final action?

The SPEAKER. If the gentleman will consult the rules and precedents of the House, he will find that the remedy is in rule XXVIII.

EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include an editorial from the newspaper, the Brooklyn Citizen, concerning the Greater New York Fund.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MARTIN J. KENNEDY]?

There was no objection.

AIR RAIDS OVER LOS ANGELES

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. VOORHIS]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, out of the welter of rumors and reports—and it is certainly to be regretted our sources of news cannot be more accurate—about what may have happened in the skies over Los Angeles

yesterday, there is one thing that stands out clear and definite and that is the spirit in which the people stood up under the conditions that prevailed. Within about 2 minutes after the alarm was sounded I am informed there was a perfect black-out over our whole region. The people of that entire country maintained their calm and equilibrium in a remarkable way, in spite of the fact that there were apparently some actual casualties. There was no hysteria or undue excitement. Our people met a test which to them at least was very real and they met it in excellent fashion. I suppose a Member who represents some of those people has a right to say that.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, you are all familiar with the fake reports about air raids over Los Angeles yesterday. This matter was taken up with the War Department and much of this news was found to be sensational.

Why were unidentified planes fired on? This either was a practice raid, or a raid to throw a scare into 2,000,000 people, or a mistaken identity raid, or a raid to lay a political foundation to take away from southern California its industries. At any rate, they were successful in creating a hysterical condition among 2,000,000 people, apparently unnecessary.

What kind of procedure is this? It appears to be highly improper. Therefore, I am calling on this House to ask for the appearance of the Secretary of War, the Secretary of the Navy, and other subordinates responsible for this spectacle, to make proper explanation. The effect of this kind of activity will be to destroy the confidence of our people in the defense program and will break down their morale.

Our people ought to know whether this was a practice raid, whether it was a political raid, or what kind of a raid it was.

The morale of California is extremely high and our people can take the truth, but they do resent this program of misrepresentation and wonder what it is all about. They are not jittery, and were not hysterical, but are beginning to believe that the Army and Navy are. The truth should be given in this matter.

FEDERAL-AID HIGHWAYS

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, one of the most important, most satisfactory, and long-standing Federal-aid systems we have had is the contribution of Federal aid for highways. It was long before the New Deal era. I notice in this morning's paper that \$500,000,000 of such funds has been frozen for the duration,

and secretly frozen. It was just announced this morning. I protest this action. The roads of the interior are not so well completed as those on the coasts. For instance, I live on the direct line that goes through Wheeling, Columbus, Springfield, Hannibal, St. Joseph, and Denver. Only 50 miles of the 400 miles in Kansas are paved.

We have a number of contractors in the small towns in the interior who are dependent on this and similar work to keep operating and who are ready to go ahead with this work. They are not participating in defense projects. I believe this to be an unfortunate saving. There are so many things that could be done to save more effectively. This action affects everybody's district, more particularly those Members from the interior. It is a further destruction of small business and is a renewed blow at the Federal-aid system for roads.

[Here the gavel fell.]

GENERAL MACARTHUR

Mr. WILSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON. Mr. Speaker, of late we have heard a lot about naming dams, camps, streets, and cities after General MacArthur. I am thinking of how General MacArthur feels about this. He is not a cheap seeker of publicity and honor. He wants tanks, guns, planes, munitions, and men in the Philippines in order to prosecute this war. Let us honor him by getting them to him.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. Whatever else we do, let us not name a curfew after him.

Mr. WILSON. I am sure General MacArthur would concur on any plan that would restore efficiency and deliver arms to his brave and gallant men fighting against tremendous odds in the hell holes of Luzon Island.

EXTENSION OF REMARKS

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[Mr. COFFEE of Washington addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to re-

vise and extend my remarks in the Record and include therein an article on Mr. Justice Douglas.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

DEFENSE INDUSTRIES

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. HINSHAW addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to insert, as an example of the use of "refined" English, a letter by the Honorable Harold L. Ickes and the reply thereto.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein an article appearing in the Fort Wayne papers about the farmers in my district not accepting any more hand-outs from the A. A. A. for the duration of the war.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Speaker, I also ask unanimous consent to extend my remarks in the Record and to include a short article by Dr. Norman Sweet concerning fifth columnists.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a radio address delivered by a former majority leader of the House, Hon. John Q. Tilson.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—DANIEL ELLIOTT AND HELEN ELLIOTT (H. DOC. NO. 641).

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 4998, "for the relief of Daniel Elliott and Helen Elliott."

The bill proposes to provide for the payment of the sum of \$500 to Daniel Elliott and the sum of \$3,000 to Helen Elliott, both of Baltimore, Md., as compensation for personal injuries and expenses resulting from a collision between an automobile in which they were riding

and a truck of the Work Projects Administration.

It appears that on October 29, 1940, Daniel Elliott, accompanied by his wife, was driving his automobile in the suburbs of Baltimore, near an intersection at which a flagman of the Work Projects Administration was stationed. The flagman waved to him to proceed into the intersection. Simultaneously, however, a truck of the Work Projects Administration entered the intersection at a right angle to the automobile and a collision resulted. The conclusion is warranted that the accident was caused by the negligence of an employee of the Work Projects Administration, and that, therefore, the Government should assume responsibility in the matter. Accordingly, the sum of \$343.10 has already been paid to Mr. Elliott administratively as compensation for damages to his automobile.

It is now proposed to pay him a further sum of \$500 to compensate him for hospital, medical, and other expenses which he has incurred, or may incur, for the benefit of his wife, Helen Elliott, who was hurt in the accident.

It is also proposed by this bill to pay her the sum of \$3,000. The evidence indicates that Mrs. Elliott's principal injury was a fracture and dislocation of the right elbow. She was in a hospital for 7 days and stayed away from her employment for a total period of 3 weeks, losing \$60 in wages. She does not appear to have sustained any permanent injuries of such nature as would prevent her from continuing in the occupation in which she was engaged at the time of the accident.

The balance of the proposed payment of \$3,000, amounting to \$2,940, must, therefore, be ascribed largely to pain and suffering. In dealing with claims for personal injuries, it is indeed proper to make a reasonable allowance for pain and suffering. I have frequently approved private bills in which an appropriate award for pain and suffering, in addition to medical and hospital expenses, was proposed to be made. In this case the proposed payment of \$3,000 appears to be excessive and far beyond an amount that would seem reasonable under the circumstances. If the bill provided for a payment of the sum of \$1,000 to Mrs. Elliott in addition to a payment of \$500 to Mr. Elliott, it would have appeared unobjectionable.

I regret that, under the circumstances, I feel constrained to withhold my approval from the present bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 26, 1942.

The SPEAKER. The objections of the President will be spread at large upon the Journal, and, without objection, the bill, together with the message, is referred to the Committee on Claims and ordered to be printed.

There was no objection.

Mr. SPRINGER. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 30]

Anderson, N. Mex.	Green	Patman
Arnold	Halleck	Pearson
Baldwin	Hook	Peterson, Fla.
Blackney	Jarrett	Pierce
Buck	Jensen	Rizley
Buckley, N. Y.	Johnson	Rogers, Okla.
Burkin	Lyndon B. Johnson, W. Va.	Sacks
Byron	Kennedy	Sheridan
Cartwright	Michael J.	Sikes
Cole, Md.	Kleberg	Smith, Pa.
Cole, N. Y.	Knutson	Sparkman
Copeland	Kramer	Stratton
Douglas	McGranery	Tolan
Eberhart	McIntyre	Vreeland
Fish	Magnuson	Walter
Gathings	O'Day	West
Gavagan	O'Hara	Wolfenden
Gearhart	Osmer	Worley

The SPEAKER. On this roll, 377 Members have answered to their names, a quorum.

Mr. COOPER. Mr. Speaker, I move to dispense with further proceedings, under the call.

The motion was agreed to.

WAR DAMAGE CORPORATION

Mr. SABATH, by the direction of the Committee on Rules, reported the following resolution (H. Res. 449, Rept. No. 1828), which was read and referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into a Committee of the Whole House on the state of the Union for the consideration of the act (S. 2198) to provide for the financing of the War Damage Corporation, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes. That after general debate, which shall be confined to the act and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the act shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the act to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion, except one motion to recommit.

SECOND WAR POWERS BILL, 1942

Mr. SUMNERS of Texas. Mr. Speaker, before moving to go into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, if I may be permitted, it is the purpose of the Committee to hold the House in session today until we finish the bill. If Members will stay in the Chamber, we will have a much better chance to adjourn early.

Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, to further expedite the prosecution of the war.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, with Mr. COOPER in the chair.

The Clerk reported the title of the bill.

Mr. DEWEY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DEWEY: On page 12, strike out lines 6 to 11, inclusive, and add the following by striking out the semicolon after the word "market" of the proviso, adding a comma and the following words: "except that such transactions in such obligations having maturities of 6 months or less need not be in the open market.", so that the proviso will read as follows:

"Provided, That any bonds, notes, or any obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market, except that such transactions in such obligations having maturities of 6 months or less need not be in the open market."

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. DEWEY. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield to me for a moment?

Mr. DEWEY. Yes.

Mr. SMITH of Virginia. As the gentleman knows, it is my purpose to offer a substitute amendment to the amendment the gentleman from Illinois has just offered, as soon as I can obtain recognition for that purpose, and I am wondering if it would be agreeable to the gentleman from Illinois to have the Clerk read my amendment now for the information of the House.

Mr. DEWEY. I am agreeable to that.

The CHAIRMAN. Without objection, the Clerk will read the amendment to be proposed by the gentleman from Virginia [Mr. SMITH].

The Clerk read as follows:

Amendment to be offered by Mr. SMITH of Virginia as a substitute for the amendment of Mr. DEWEY: On page 12, line 11, after the word "interest", insert "to an adequate amount, not exceeding \$5,000,000,000."

Mr. DEWEY. Mr. Chairman, the purport of this amendment is to place some limit on the purchase of Government securities by the Federal Reserve banks directly from the Treasury of the United States. It is contended that this power will be used by the open-market committee and the Federal Reserve Board only in times of emergency.

I believe such power should exist in the Secretary of the Treasury and the Federal Reserve Board, cooperating together, to relieve our financial divisions of the Government from any anxiety or from any difficulty at the time of an emergency, but at the same time this is a historical way for creating inflationary movements. It is well known that dealings between the Treasury and a bank of issue generally bring inflationary expansion of the currency. There is always the claim that the power will be carefully used, and used only as an emergency exists, but I still maintain that the Congress should have some hold over the situation.

I admit there are daily reports from the Treasury and annual reports from the Federal Reserve Board to the Congress, but I think that in advance there should be laid down some limits to the

amount of securities the Federal Reserve System may purchase from the Treasury Department, or there should be laid down some limit as to the maturity and type of security that they may purchase.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. Briefly.

Mr. GORE. Is there any limit to the amount of securities which the Federal Reserve may now purchase?

Mr. DEWEY. I think \$65,000,000,000 is the amount of the public debt, and under the amendment proposed the Federal Reserve banks could purchase up to the limit of the public debt.

Mr. GORE. My inquiry applies to the amount which can be issued. The gentleman proposes now to limit the Federal Reserve Board in the amount that it may purchase from the Treasury.

Mr. DEWEY. I covered in that statement of mine as to limit the proposed amendment to my amendment by the gentleman from Virginia. My amendment only limits by maturity, permitting the Federal Reserve System to buy only securities that are of 6 months' maturity, to really cover the emergency; to cover an emergency around tax-payment dates when the Treasury needs cash to cover the lag in the receipt of taxes.

Mr. GORE. Mr. Chairman, will the gentleman yield further?

Mr. DEWEY. Briefly.

Mr. GORE. I believe we should all recognize that one thing we want to avoid is a repetition of what happened in the last war when each successive issue bore a higher interest rate. Our debt is now of such proportion that we could not stand that.

Mr. DEWEY. I would answer that directly, but I prefer to incorporate the answer in my general statement. I contended yesterday when speaking that competition between the Treasury Department and the open market does not reduce interest rates. It is the confidence in the securities, and we must have people keep their confidence in the securities. But if there are dealings between the Federal Reserve and the Treasury, that confidence may be lost. For that reason, I believe there should be some limit as proposed by the gentleman from Virginia [Mr. SMITH] or as to the limit as to maturity which will cover short-term periods when an emergency might exist. For that reason, I believe, without any partisanship at all, but thinking very carefully of the future stability of our currency and future stability of our Government securities, that the House should give this matter very careful consideration.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. SMITH of Ohio. This provision in the bill is proposed as a temporary expedient? The provision in the bill is to meet a temporary situation; that is true, is it not?

Mr. DEWEY. That is true.

Mr. SMITH of Ohio. And probably not lasting certainly more than a period of a few months; let us say 6 months?

Mr. DEWEY. That would certainly be all that I could see, for the simple reason

that the Treasury has already met probably the greatest emergency they will have to meet, because at the time of Pearl Harbor they had an offering out of over a billion dollars, and it was handled in the old, traditional way that it has always been handled—through the open market.

Mr. SMITH of Ohio. Practically all that you propose is that this be limited to that particular thing—an emergency or a short-period proposition?

Mr. DEWEY. That is what the proponents of the amendment kept mentioning and what the members of the Federal Reserve staff kept reiterating. This is to take care of an emergency situation.

Mr. SMITH of Ohio. In other words, you do not want it to be made a policy of the Government merely for the Federal Reserve banks to take any amount of securities that the Treasury might offer to them?

Mr. DEWEY. They should not, because it is their announced policy that they wish to sell securities to the people and not to the banks.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to the chairman.

Mr. SUMNERS of Texas. It is the understanding of the committee, I believe, that that arrangement which the gentleman just mentioned was consummated by agreement in advance on the part of the Federal Reserve banks that they would take this billion and a half issue off of the hands of the purchasers from the Treasury.

Mr. DEWEY. That is always the way, except instead of taking it direct, it has been traditionally customary ever since there has been an open-market committee for the banks to come in and subscribe, and anything that they cannot distribute to the people, the Federal Reserve System, performing the functions for which it was set up, takes that surplus off the hands of the banks and distributors. That was done.

Mr. SUMNERS of Texas. Now, what is the difference, insofar as the strain or danger upon the System—what is the difference in substance if the Federal Reserve banks take this issue directly from the Treasury or these buyers of the bonds, who want to get some profit, take them from the Treasury and then sell them to the Federal Reserve banks?

Mr. DEWEY. I do take exception to saying that an organization of people that has been in business since 1917 is insisting on this in order to get a little profit. They do not do that. It is a service, and they get precious little for it—31¼ cents per \$1,000 bond. But I believe it is an advisable thing to keep the distributing service alive at this time. It would be exactly as if Ford said, "The Ford car will sell itself and we do not need any more agents." We will need a precious number of agents to distribute our defense bonds, and I believe that system should be carried on. If it were an exorbitant fee, or if it was a fee that was demanded to be increased, that would be something different.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes. I want to ask him a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. What we are all trying to get at is what is the difference in the strain upon the credit and the power to issue, or in the public danger, between the sale of these bonds by the Treasury directly to the Federal Reserve banks and the sale of these bonds to the distributors who in turn sell to the Federal Reserve banks such of the issue as they cannot distribute otherwise?

Mr. DEWEY. One is the well-known and traditional way of distributing Government securities. It has been employed since 1917 from the time of the first Liberty Loan. The other system has a history and tradition of loose banking. There has been so much talk of its use and about what has happened in Germany and what has happened in France that I think it will have a bad psychological effect on our people.

Mr. SUMNERS of Texas. But would the gentleman address his explanation directly to the question, and that is: What is the difference between the perils to the Federal Treasury or Government of Federal Reserve banks buying directly from the Treasury or buying from those to whom the Treasury sells? That is the question.

Mr. DEWEY. I will answer that question. If the Treasury sells to the distributors and the Federal Reserve bank takes the surplus off the distributor's hands, at least some of the securities have stayed in the hands of the public, whereas, if they go directly from the Treasury to the Federal Reserve bank they do not pass through the distributor's hands but later on will have to be distributed—I hope—by the Federal Reserve bank through these same distributors. How will the Federal Reserve bank, unless it intends to purchase and keep these securities, ever get rid of them?

[Here the gavel fell.]

Mr. DEWEY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes. I have been very liberal with my time.

Mr. WHITE. Mr. Chairman, reserving the right to object, will the gentleman yield to me during these 5 minutes?

Mr. DEWEY. I will yield as far as I can, but I think the gentleman will agree that for the most part of my time I have yielded to everybody. I have said very little for myself.

Mr. WHITE. I would like to further answer the question of the gentleman from Texas. Will the gentleman yield to me if I do not object?

Mr. DEWEY. I will yield to the gentleman if he will let me use part of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Idaho.

Mr. WHITE. Answering the gentleman from Texas as to these bonds being in

the hands of the distributors and the Federal Reserve banks, there is a very great difference between the privileges a distributor would have and a Federal Reserve bank. The Federal Reserve bank could use them as eligible paper for the issuance of currency. The distributor would not have that privilege. Is that right?

Mr. DEWEY. That is right.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. GIFFORD. I want to call the attention of the distinguished gentleman from Texas to the fact that there is a very great difference. The Treasury could call the Federal Reserve banks on a small issue and the public need not know anything about it. You know the power of the Federal Reserve banks to distribute issues if they needed to do so; and the rate of interest can be held down by that method. We all know and can see very plainly where that quiet little method of working together would obviate the necessity of going to the general public, which would demand a pretty high rate if they were for any term of years. I want to say to the gentleman again that the tremendous amount of short-term issues already outstanding will soon require refinancing for a long period.

Mr. DEWEY. My time is running.

Mr. GIFFORD. I am sorry.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Further answering the gentleman from Texas, does not all recent history show that nation after nation after nation in times like these, when they have allowed their treasury to obtain funds directly from central banks of issue, that the temptation is too great to resist and that road leads on to uncontrolled inflation?

Mr. DEWEY. That is the history, and I think that it creates a bad psychology.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. WOLCOTT. Still further answering the gentleman from Texas, the Treasury exerts tremendous power over the Federal Reserve banks and they could not decline to execute the policy of the Treasury. The law at the present time allows the Treasury to dominate the policy of the Federal Reserve Board. Section 10, paragraph 6 of the Federal Reserve Act reads:

Wherever any powers vested by this act in the Board of Governors of the Federal Reserve System or the Federal Reserve agent appear to conflict with the powers of the Secretary of the Treasury such power shall be exercised subject to the supervision and control of the Secretary.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. For just one question.

Mr. THOMAS F. FORD. Did not the Federal Reserve Board have the right to purchase these bonds prior to 1935?

Mr. DEWEY. They had that right until 1935.

Mr. THOMAS F. FORD. And the country did not go broke, did it?

Mr. DEWEY. I have answered the gentleman's question.

Since this war started many, many central banks of issue were ruined simply because the country followed that system; and in every reorganized country after the first World War one of the factors laid down most clearly was that there should be no dealings between the Treasury and the central bank of issue except at arm's length.

Mr. WHITE. Mr. Chairman, will the gentleman yield for a brief question?

Mr. DEWEY. I think I must proceed, my time is running.

Mr. SUMNERS of Texas. I must suggest to the gentleman that I cannot agree to any further extension of time.

Mr. DEWEY. I agree with that.

May I say in closing that I hope this House will view without partisanship but with great care this amendment, which is basic as far as the good of our securities is concerned. I believe there should be some limit somewhere by the Congress over the dealings between the Treasury and the Federal Reserve Board.

Mr. WHITE. The primary objective of open-market transactions is simply a brake on inflation and to control the volume of currency and credit through open-market transactions. Is that not the primary object of that?

Mr. DEWEY. Yes; it is.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. DEWEY].

Mr. Chairman, reference was made to the matter of jurisdiction of this legislation, but that question is not before us now. The question of jurisdiction is really not important in comparison to the extreme importance of this legislation. The question now is the passage of the bill. I am glad to give my wholehearted support to title 4 of the bill as reported by the Judiciary Committee.

This provision, as has been stated, would simply restore to the Federal Reserve Act the exact language that was in the original law which obtained throughout its history down to the time of the passage and approval of the Banking Act of 1935. At that time it was thought by some that this method might tend to encourage extravagance. The Senate passed a provision striking from the law the authority of the Treasury to sell its obligations directly to the Federal Reserve banks. It so happens that the distinguished Senator from Virginia, Senator GLASS, who is the author of that provision in the banking bill of 1935 unreservedly approves and supports now the provision incorporated in the bill before us.

The simple fact is that there is not the slightest difference between the different plans for selling these bonds, whether bought by the public or sold directly to the Federal Reserve banks, insofar as the danger of inflation is concerned. Under the existing law they are bought by the banks of the country, and principally by a few banks, mainly in one city. It

should be understood by all that the authority of the Federal Reserve banks to issue currency upon obligations based upon Government is just exactly the same with regard to obligations held generally by the general banks of the country as would be the case as to obligations that would be sold directly to the Federal Reserve banks.

Much has been said about inflation. Let me say that it is possible under existing law, this very day, to expand our currency more than \$50,000,000,000 by the use of the gold coverage which we are prepared to supply, and by supplemental Government bonds now available for use by the Federal Reserve banks as a coverage for currency. In addition to that, we have the power to issue three billions in currency and the Federal Reserve Act specifically authorizes the use of eligible paper as cover for Federal Reserve notes. It is possible now, under the present law, to increase our currency more than \$50,000,000,000, which means that we could have an expansion by the use of the currency and credit so created to the amount of more than \$250,000,000,000 overnight. So, with all due respect to the learned gentleman who has just addressed the House, there is no valid reason for opposition to the adoption of the provision of the bill as it stands.

The temporary operation of the proposal is not the only thing that is important. Let us be frank about it. We are engaged in a stupendous task in financing our part in this unprecedented World War. We do not know how great the demands will become. Let us not disparage the credit of our Government. Let us not throw a monkey wrench into the machinery which is so important and which may become indispensable to the successful financing of this war. We must not hamstring the Treasury and Federal Reserve System in conducting the necessary operation to win the war. That is what we will do if we adopt the proposed amendment. The provision contained in title IV is the most important provision of the entire bill. The proposed amendment would defeat its purpose. It would be more desirable to eliminate the proposal than retain it with the amendment.

[Here the gavel fell.]

Mr. ROBERTSON of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my distinguished friend from Illinois is one of the best-posted men in this House on the subject of Federal financing. He is a former Assistant Secretary of the Treasury, and I would not presume to pit my judgment against his in a matter of this kind. In opposing his amendment, I will tell you whom I am following. I am following the unanimous action of the Board of Governors of the Federal Reserve bank, a private banking system speaking for private capital, even though under some measure of Federal control. I am following the American Bankers Association that has given this bill its approval and endorsement. I have seen two splendid editorials in the New York Times. No one would accuse that paper of ad-

vocating inflation, controlled or uncontrolled.

Tom Paine was quoted on the floor of the House this week as saying at Valley Forge:

These are the days that try men's souls.

I quote Tom Paine as saying:

Credit is suspicion gone to sleep.

These are again times that try men's souls; these are the times when people must have confidence in the security of their Government bonds. Let the Government undertake after some bad war news to float a loan of three, four, or five billion dollars to meet a contemplated expenditure which may run at the rate of \$5,000,000,000 per month for the next fiscal year and the open market refuse to take those bonds, suspicion that should be asleep will be struck awake, confidence will be destroyed, and down goes the credit of the Government, pulling after it every bank in this Nation.

A former Senator from Mississippi, John Sharp Williams, a great man, said:

I am a Senator of the United States from Mississippi. The senior Senator from Virginia can justly make the same statement. He belongs to the Nation, and all have respect for his judgment in matters of this kind.

This provision disturbed me, and I went privately to Senator Glass and asked him:

Senator, what must I do?

He said:

Willis, these are critical times. My advice to you is, do not rock the boat.

I am going to vote for this section and against all amendments that may be offered to it. I give you for what you may think it is worth the reasons for my doing so, the Federal Reserve Board, the American Bankers Association, and an outstanding authority of America on the subject of sound fiscal policies.

Mr. SUMNERS of Texas. Mr. Chairman, I should like to see if we cannot arrive at some agreement as to the time for debate on this section. I ask unanimous consent that all debate on this section and all amendments thereto close in 25 minutes.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Chairman, this is a very important amendment and 10 Members are standing seeking recognition. If each of them should have 5 minutes, that would be only 50 minutes.

Mr. SUMNERS of Texas. All right; let it go a little while yet.

Mr. WHITE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the first place, a provision as important as this has no business in a bill of this kind. The provisions included in this title should receive very careful consideration from qualified Members of the House composing the Committee on Banking and Currency before being brought in here to be hurried through as a part of an omnibus bill.

I am very much interested in the qualifications of the gentleman who is the author of the pending amendment, a banker from the State of Illinois, who

I am told was a financial adviser to the Government of Poland. If he was ever a financial adviser to Poland, he certainly should be qualified to deal with shaky finance.

Back in the good old days before the depression of 1929, before all the governments were forced off the gold standard, Poland attempted to circulate brass zloty pieces and tried to make them popular with the people of Poland. James Harvey Rogers, the eminent economist from Yale University, cited Poland as a great example of a shortage of an adequate reserve in support of the national currency, which stymied international business. If a man in this country found a customer in Poland, at the time, when our good friend was probably financial adviser to Poland and when Poland had scanty gold reserves, and if a citizen of Poland went to his Polish bank with Polish money to get exchange to remit for international consignment purchased in this country, he was simply refused banking exchange acceptable in this country because, they said, they could not possibly let their international exchange go out, as it would come back as a draft on their scanty gold reserve. This was a barrier and a blockade to international business. That is the kind of monetary system they had in Poland.

The good chairman of the Committee on Banking and Currency said, "Let us not rock the boat, let us not upset the credit of this country." I am wondering which is worse, an unbearable interest load piled on the backs of the American people, or the so-called inflation. There was a time in the history of this country when the Members of this Chamber were confronted with a great emergency. There was a shortage of credit and cash. Abraham Lincoln met that emergency by issuing interest-free Treasury notes, so-called greenbacks.

Mr. Chairman, if we are going to issue unlimited credit by the Government, let us not pile an interest load on the backs of the American people, a pyramid that cannot be supported, an inflation that will destroy the financial reserves of this country. Let us take over the Federal Reserve System. Let it belong to the Government. If the American people are going to be forced to pay interest as a control of inflation, let them pay it to themselves.

We do not hear anything from this eminent banker who comes here from the city of Chicago to advise us how to run the banking and fiscal policy of this country about relieving the people of America of the interest load by letting the Federal Reserve banks be taken over by the Government. If there is interest to be paid, if that is the price of controlling inflation, let the American people have that interest and not a little group of bankers who are going to undermine and destroy every financial foundation of this country.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Montana.

Mr. O'CONNOR. Has the gentleman seen any particular evidence of an infla-

tion in the price of mine products or farm products or livestock?

Mr. WHITE. The fiscal record of this country in the last 8 years has exploded every argument, every false statement that has been made here about the use of a metallic money as the foundation of our fiscal system.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, if the amendment offered by my colleague, the gentleman from Illinois [Mr. DEWEY] is not adopted, I fear this will be a very sorry day for the American people. I say this with all sincerity. Whether we who are opposed to inflation succeed in convincing this committee and this House that this title as proposed is bad legislation, I want it distinctly understood that there should be no detraction from the sincerity with which we present this issue. There is not going to be very much satisfaction on the part of any of us who oppose inflation in being able to say, "I told you so," 6 months, a year, or perhaps 2 years from now when property values have been wiped out as they were wiped out in Germany, and when the American dollar has depreciated perhaps 90 percent, as the franc depreciated from its par.

At least, there is some doubt about the feasibility of this legislation. There is doubt as to the necessity of buying obligations direct from the Treasury by the Federal Reserve. That doubt should be resolved in favor of conservatism and sound fiscal policies. This Congress will be in session for a good many months without very much interruption. The Treasury and the Federal Reserve have not as yet made out a case of necessity. It is all right for individuals to say it must be done, but the chairman of the Board himself tells us that they do not expect to use this power except in case of emergencies.

We are providing the machinery in the Dewey amendment for him to smooth over those periods of disruption without bringing about fear of inflation in the face of an intense effort to finance this war.

Somebody suggested that we should not rock the boat at this time. My heavens, Mr. Chairman, what does this proposal in this bill do but rock the boat? It rocks the very foundation of an otherwise sound economic system. It gives encouragement to the rumors that our bonds are in jeopardy. And let me tell you of a personal experience, if I may be pardoned. My youngster, 12 years old, had \$40 saved up and he said, "Dad, what shall I do with it?" I said, "Go down and buy some Defense bonds and some stamps." He said, "Oh, Billy tells me the bonds are not going to be any good; that we are going to have inflation."

That is the answer to this. My 12-year-old boy talking about inflation in the same breath that defense bonds are mentioned. Here, after struggling for months on a price-control bill to prevent inflation, we are today offsetting all the benefits of that legislation by throwing the very fear of God into the American people who must finance this war effort.

If it is not necessary, if the Federal Reserve has not made out a clear case of necessity, then it is our duty to look into this further before we act.

This is what they say about it. You heard quoted a New York paper. Let me quote an editorial from a New York paper, the Wall Street Journal, which is pretty close to business and industry and banking, and they say:

Considering the 12 Federal banks of the Reserve System as a single central bank, a purchase by any 1 or by all 12 of Government bonds directly from the Treasury would be in its nature the precise equivalent of the transactions during and after the last war between the Reichsbank and the Banque de France and their respective governments. In both those cases the government borrowed from the central bank directly. Both banks were banks of issue and, as all remember, the result was the orgy of inflation which wiped out the German mark and destroyed 90 percent of the French franc. Theoretically, direct borrowing by the Treasury from the Federal Reserve System, if indefinitely continued, would produce the same results with the Federal Reserve currency. At present the law contains provisions restraining this process by imposing a minimum ratio of reserve to be maintained by the System against both reserve deposits of member banks and note issues. Continuance of these provisions in the law would exclude or at least postpone any such consequences as those in the cases of the franc and the mark.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, as my remarks will be rather directed to the chairman of the Judiciary Committee I regret that he is out of the room. He asks "What is the difference between these methods." Said the Englishman to the Scotsman, "We are all Englishmen and after all there is very little difference." The Scotsman replied, "Thank God for the difference."

There is a great difference. This limitation is against opening the door making the sky as the limit. The gentleman from Illinois has made it clear that his amendment takes care of emergencies and we should not be asked to go beyond that. Contemplate the danger of this proceeding. No longer would the Treasury have to worry about offerings of securities to the people. You know how these offerings are now made, do you not? The governors of the Federal Reserve bank consult the large bankers as to how much of the issue should be short term and how much long term and what rate of interest they think would have to be offered. There is, of course, a good deal of worry as to whether the public will respond. In recent years, it has usually been decided that only about half of the issue should be for long terms, 5 years, 10 years, perhaps, and the other half should be short-term notes. This seems to have been the plan for the last several years.

Consider the Treasury needing money and quietly calling the Federal Reserve bank and require them to take bonds at a low rate of interest, well knowing their authority or influence in distributing them quietly to member banks.

I have heard it said here that the banks suffer no duress in being forced to take these issues. Not true. Some large bank in some large city would act as agent for the Federal Reserve. They call up the other member banks and say: "You have been allocated so much." Sometimes these banks reply: "We do not want them." Then the answer is usually this, as one of the directors of a bank has told me, and I can well believe it is quite true, "If you do not take this allocation you might be placed on the black list of the Federal Reserve. Sometime you might have a little difficulty in discounting with them." Direct statement need not be made, a slight suggestion would be all that would be necessary. This should be expected and only slight pressure would be needed. It is perhaps proper that they should use this pressure, but do not attempt to deny that they do not do it. What bank would dare to refuse to accept the allocation? They usually accept but often sell the bonds as early as possible.

This present proposal is an easy way of financing the Government and holding down interest rates. I have often argued on this floor that it is a pity that the savings of our people could not command a little more interest and a higher return on their investment.

Now, there is a great difference in this language and the Dewey amendment. The Dewey amendment fully takes care of any emergency. It is a protective suggestion. I want to remind the chairman of the Judiciary Committee, the gentleman from Texas, who twice recently has lectured the House on the dangerous pace we have been traveling, and that he had voted for many things that he, perhaps, ought not to have voted for. He advised us to watch our steps in the future. Before he delivers any more of those lectures I want some votes of his to prove that he means what he says, and here is a splendid opportunity for him to apply the brakes. Like Pat, in handling live electric wires, he said, "I feel them very carefully before I take hold of them." We all appreciate the possible danger of this legislation, and here is a chance to place a limitation. Later on, if the necessity arises, as it may, we will grant further authority. We will weigh the wisdom displayed by those in authority in the use of the power already granted. The gentleman from Virginia [Mr. ROBERTSON] said that he was going to take the advice of the Federal Reserve Board. Take the advice of a board or commission that desires the power? Doubtful advice, is it not? Are they the best ones to advise us when we know their great thirst for more and more unusual powers?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last two words. First, I want to answer the question raised by the gentleman from Texas [Mr. SUMNERS]. I see he is not on the floor at the present time, and I wish he were. If I understood his question correctly, it was this: What is the difference between the method of financing as provided in title IV of this act and the policy of the Fed-

eral Reserve in buying in the open market at the present time? It may be that I confuse somewhat the question asked by the gentleman from Texas [Mr. SUMNERS]. It may be he asked the difference between the method of financing proposed under title IV and the present method of distributing bonds and Government securities to the commercial banks through the Federal Reserve System.

What is the difference between financing proposed under title IV and the present method of buying in the open market? The difference is this, and it is very vital. When the Federal Reserve buys in the open market at the present time, it pays for the securities it purchases with its assets, with the assets of the Federal Reserve bank. There is an exchange of value for value. Under title IV what the Federal Reserve bank will do is this: It will set up to the credit of the Treasury the amount of the securities which it takes over.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I would rather not yield now. It sets up a credit to the Treasury for the amount of securities it takes from the Treasury. Then the Treasury merely issues checks against this credit to pay its current obligations. In effect, what actually happens is this: For the time that the Federal Reserve bank holds these securities, it does nothing more or less than print money, and when it disposes of those securities, if it should dispose of them through the commercial banks, it may still be simply carrying on the process of printing money. Nevertheless, we should understand the difference between the proposal in title IV and the present open-market policy. In the one instance, the Federal Reserve pays for the securities it takes over with its assets. In the other case it merely sets up a credit in favor of the Treasury.

There is, however, no fundamental difference between the policy of purchasing securities by the Federal Reserve under title IV of this proposed act, and the present method or policy of distributing the securities to the commercial banking system. In the end both are simply processes of printing money. We have gone a long way from orthodox financing. I now yield to the gentleman from California.

Mr. VOORHIS of California. I agree with the gentleman completely in his statement that the Federal Reserve, when it takes these bonds, will buy them with new credit which it creates, and also with the statement that there is no difference between that and the sale of bonds to the commercial banks, but I do not agree with the statement that the Federal Reserve bank uses assets to buy bonds in the open market. I believe they use Federal Reserve credit, backed, it is true, by their power to create notes, if those notes are asked for by the bank; but I am not quite positive that is what the Federal Reserve banks use when they purchase bonds on the open market. It is merely Federal Reserve credit.

Mr. SMITH of Ohio. The gentleman is perhaps 60 percent right, with respect to the situation to which he refers, where

Government securities are used as collateral for Federal Reserve notes. It should be remembered that even where Government securities are so used the Federal Reserve Act still requires 40 percent gold coverage for the notes.

Mr. VOORHIS of California. There would have to be when the notes are issued. They must be backed by some power of the Board to create the notes, but that is the same power as the power to create credit.

Mr. WHITE. The gentleman from California says they do not use assets. Does the gentleman say they have credit without assets?

Mr. VOORHIS of California. I say precisely that.

Mr. SMITH of Ohio. The statements I have made are on the basis solely of the provisions in the Federal Reserve Act.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SMITH of Virginia. Mr. Chairman, I offer a substitute amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia as a substitute for the amendment offered by Mr. Dewey: On page 12, line 11, after the word "interest", insert "to an aggregate amount not exceeding \$5,000,000,000".

Mr. SMITH of Virginia. Mr. Chairman, I think many of us at least will agree that the next worst thing to losing this war would be wild, uncontrolled printing press inflation. A good many of us are afraid that is just about what this is going to lead to. I think everybody here wants to give to the Treasury and to the administration every power that is necessary to win this war, but I think we do not want to give them any powers that are not necessary.

This matter caused a good deal of discussion in the Committee on Rules when we had the application for the rule before us. Mr. Goldenweiser, economist from the Treasury Department, came to talk to us about it. He said very frankly that the transactions contemplated here would be just the creation of money. I have always understood that the creation of money was just another name for inflation. I do not want any more inflation than we have to have. So I have offered what I think is a common sense solution of the difficulty, which will give to the Government all the power that they said they needed. All the power they said they needed was the power in instances such as Pearl Harbor, where an offering of bonds was imminent and where there was a fear that by reason of some disaster that might occur the bond market would be demoralized for the moment, and that therefore they needed this power only in case of emergency and did not expect to use it except in cases of emergency. Therefore, I have offered what I regard as a very practical proposition, namely, to give them the right to do what they ask to do, but put a ceiling of \$5,000,000,000 on it. That gives them everything they need. Why give them something they say they do not need, which will have the danger of printing press money?

I am not criticizing anybody and I am not saying it is going to happen, but when we are dealing with legislation, when we are granting powers, we must be careful that the powers which we grant are not so great that something unforeseen and unintended may happen. That is exactly what I am trying to do.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Just excuse me for a moment.

Now, you can readily see that with this created money, if it was desired to be done, all they would have to do would be to take a truckload of bonds from the Treasury down to the Federal Reserve every morning and bring back a truckload of printing-press money and scatter that throughout the country. Now, that can happen under this bill. Why let it happen, when by a limitation of \$5,000,000,000 on the aggregate we can prevent such a thing happening?

Mr. DEWEY. Will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. DEWEY. I would say that I think the gentleman's amendment is doing just exactly what my amendment attempted to do, and I would be willing to withdraw my amendment in favor of his.

Mr. SMITH of Virginia. I thank the gentleman.

Mr. MAY. Will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Kentucky.

Mr. MAY. The only thing you limit them on is the amount?

Mr. SMITH of Virginia. Only the amount. It is just as if you went down to the bank to get yourself a line of credit, and the bank said, "We will give you a line of credit of \$5,000." You say, "I may need \$10,000." The bank says, "All right. Go out and spend that \$5,000, and if you do it wisely, you come back and we will give you another line of credit." That is all I am asking to do for the United States Treasury.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, yesterday in speaking on this matter I left the impression that I would support the Dewey amendment, under certain conditions. I stated at that time that I had not discussed it with Mr. Dewey. Since then I have had occasion to read the amendment offered by the gentleman from Illinois. I do not believe I could go along with that at all, because, as I understand it, it would tend to drive all of the paper issued under this particular title into 6 months or less as to maturity. Is that correct?

Mr. DEWEY. It would attempt to cover what has been usual in the past, that is, a temporary emergency, which would be supposed to be of less than 6 months' maturity. They would refund those 6 months or less maturities with permanent securities.

Mr. CRAWFORD. Now, if we run into a situation where it would be extremely difficult to refund, then your debt would tend more and more to move into short-term paper, which to me is terribly dangerous. That is about the only objection

I have to the demand call feature of the present Defense bonds. We are building up potential billions of dollars of call on the Treasury by the holders of Defense bonds who can come and call for the redemption of those bonds. So, I think the gentleman from Illinois is very smart in offering to accept the substitute amendment offered by the gentleman from Virginia [Mr. SMITH]. I am in favor of the Smith amendment and would be glad to support that. That amendment, as I understand, limits the amount to \$5,000,000,000 the Reserve banks are to purchase and hold at one time. Should this prove insufficient, Congress could certainly amend and increase to the amount experience requires.

I think that \$5,000,000,000 would take care of at least 60 days financing of this type on a 60 billion annual budget, or on a basis of 5 billion a month outgo from the Treasury. So it seems to me a 60-day authorization would probably be all that the Board of Governors or the Treasury would come up here and attempt to justify. I have not talked to either group since the bill was called up; I do not know what their present position is except what I have heard in the debate and read in the Record, but I do not believe they would aggressively try to obtain more than a 60-day coverage.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. EATON. Since this legislation is of such profound importance to the future of this country and there is such a difference of opinion as to its validity and practicability, why would it not be a good thing to cut out title IV entirely, refer the thing to the Banking and Currency Committee and have a bill brought in here after proper hearings, a bill that we could agree on?

Mr. CRAWFORD. I do not suppose the members of the Banking and Currency Committee would object to that, and I do not know that the Board of Governors or the Treasury would object to it, or that anybody else would object to it, but that is simply something for the committee to decide upon.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. WHITE. Does the gentleman approve or favor the differentiation made between the character of the so-called defense bonds and these bonds that have been subscribed to by the banks of the country?

Mr. CRAWFORD. The defense bonds are not negotiable; you cannot trade in them on the open market, and the amount you put into them is guaranteed back to you by the Government. This is a matter I contended for as far back as 1935, and if we are going to have elevator boys, washwomen, shoeshiners, and many other people in the low-income brackets buy them, then let us guarantee them against market decline and fix it so they will not lose their little grubstake.

Mr. WHITE. Does the gentleman believe it would be an unpatriotic thing for those people to demand that they have the same kind of bonds that were given to the banks?

Mr. CRAWFORD. Let them demand what they please, because whether you sell any Defense bonds or not, the war is going to be financed. If they cannot finance it through selling bonds to the people, then they will finance it through creating money out of nothing, which this very proposition does. I think the Defense bonds are more acceptable to the individuals than the open market issues being sold to banks. Individuals may buy long- or short-term bonds.

Mr. WHITE. Would the gentleman be in favor, then, of creating money without interest rather than piling up an interest load on these interest-bearing bonds? How does the gentleman stand on that proposition?

Mr. CRAWFORD. Insofar as financing the war is concerned, we will finance the war. The problem is this: What are you going to do with the debt structure in the post-war period? That is what I was thinking about yesterday when I advocated heavier taxes.

Mr. WHITE. Would it be better to pile up the interest load or to reduce it by issuing non-interest-bearing notes?

[Here the gavel fell.]

Mr. RANKIN of Mississippi. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the present Federal Reserve Act is bad enough. I am not sure that this bill helps it very much, but I am sure that these amendments would make it worse. We might as well understand the situation. If the Congress had done its duty, in my opinion, we would have taken over the Federal Reserve banks and stopped the Government from paying interest on its own money.

These amendments would simply tend to hamper the system that we now have of issuing currency for the financing of this war without improving it.

It is utterly impossible to finance this war on the present price levels. If something is not done, we not only run the risk of a crash but we will probably invite repudiation. It is necessary to make some modification; and so far as I have been able to see, with the exception of the proposal to take over the Federal Reserve banks, this bill as it came from the committee is about the best proposition that has come before us.

I think the amendment offered by the gentleman from Illinois [Mr. DEWEY] would probably destroy the bill; and the amendment offered by the gentleman from Virginia, instead of starting us out, as he said, on wholesale inflation, would start us out on a policy of deflation at a time when expansion is necessary because we have more Federal Reserve notes out now than his amendment would provide.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. RANKIN of Mississippi. For a question, yes.

Mr. SMITH of Virginia. I believe the gentleman from Mississippi for many years has been a very distinguished advocate of outright inflation. Am I right?

Mr. RANKIN of Mississippi. No; if the gentleman from Virginia had been listening he would be better informed.

I have advocated from the very beginning a controlled expansion of the currency, in order to raise the price level and enable us to raise revenue sufficient to carry on the Government instead of going out on a very different kind of policy of borrowing from the rich and spending it by the billions in an effort to restore prosperity by artificial means. That policy has brought us to the predicament we are in today when we are going to have to do something drastic in order to raise money to carry on the war.

Senator THOMAS of Oklahoma and I introduced a bill in 1933, which finally became law, giving the administration the right to issue \$3,000,000,000 in currency against the gold we then had. If that policy had been carried out, if we had had a reasonable, controlled expansion of the currency, commodity prices would have risen, we would not have continued in the depression. If we had followed that policy, instead of starting out on a policy of borrowing from the rich and giving to the poor, this country would have been enjoying a period of unprecedented prosperity for the last 7 or 8 years.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I wonder if the gentleman from Mississippi will inform us as to the difference between what he terms controlled expansion of the currency and inflation?

Mr. RANKIN of Mississippi. When you take the lid off and just permit uncontrolled inflation by issuing unlimited volumes of currency, as they did in Germany and Russia just after the last war, which the bankers and you banker-minded Congressmen have harped on so much, where it was tied to no metallic standard, where there was no limitation on it and it was done for the sole purpose of wiping out internal debts, you run into disaster. If we had followed the policy, on the other hand, laid down in the bill passed in 1933 for a limited, controlled expansion, with a 40-percent gold reserve behind every dollar, we would have raised prices to their normal levels, we would have been able to fight our way out of the depression and for the last 7 or 8 years this country would have enjoyed a reasonable measure of real prosperity. Then we would have had no relief rolls. Our farmers as well as our industries would have recovered from the depression, and the Government would have saved billions of dollars.

May I say to the gentleman from Virginia that it was not a wild and uncontrolled inflation in World War days that brought about the depression of 1920 and 1921. We had an expansion during the World War that raised commodity prices to new levels. But when the war was over, this same group that now seems to control the Federal Reserve banks secured control and through the Governor of the Board, W. P. G. Harding, brought about a ruinous deflation. That is your danger now, and it will be your danger when this war is over. That is the reason I want this power to coin money and regulate the value thereof

back in the hands of Congress where the framers of the Constitution placed it. That is the reason I supported Senator OWEN, of Oklahoma, at that time instead of the distinguished Senator from Virginia [Mr. GLASS] who is largely responsible for the present Federal Reserve System that, in my opinion, has caused most of our troubles for the last 20 years.

Mr. Chairman, I am going to vote against both of these amendments. As I said before, the Federal Reserve Act is bad enough. Probably the committee amendment improves it a little. But I feel certain that these two amendments, or either one of them, would be a detriment to the country.

[Here the gavel fell.]

Mr. BURDICK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have waited for this opportunity for 8 years. I see around me all the financial experts of Congress, and I am going to ask them two or three questions, then leave the floor. If they can answer any one of them I will never take the floor again on this subject. Instead of issuing bonds and having a fight over the interest, which by the end of July 1 this year will amount to the expense of Government almost, and I refer to the interest on those bonds, why do you not cut it all out and issue the money in each instance, issue the currency instead of issuing the bonds?

Here is my first question: Is there anything behind a bond that is not also behind a piece of paper money? Now, some of you experts answer that.

Mr. HOFFMAN. Mr. Chairman, I am no expert, but if you let these fellows down here issue all the money they want to, there would not be any limit. There is a limit to the bonds you may sell.

Mr. BURDICK. I am satisfied that the gentleman from Michigan could not answer the question even if he were an expert.

Here is the second proposition. This is not an "ism," this is not an imaginary program. This is a program that we put into effect one time when we were in just the same situation we are in today. During the Civil War we issued over \$400,000,000 of fiat money. The gentleman from Kentucky this morning showed me one of those bills. The people have never paid a cent of interest on those since 1865. If you want to pile up an interest load that will become bigger than the cost of government, then you stick to your banker system. If you want to fight for the American people, issue the money and cut out these bonds.

Mr. HALLECK. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman is in favor of printing money and issuing it instead of issuing bonds. Would he also be in favor of printing the money and issuing it instead of taxing the people to pay any of the expenses of Government?

Mr. BURDICK. The question answers itself. The only way that the money would be retired is through taxation and through income from other sources.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from California.

Mr. VOORHIS of California. Is not the gentleman willing to agree with this statement: You can get inflation quite as well by having the bankers create money against Government interest-bearing debt as you would get if the Government itself created too much money, either in the form of cash or credit. What is going to happen in both cases is there have to be proper limitations to maintain a stable relationship between the total volume of money in circulation and the amount of actual production.

Mr. BURDICK. The gentleman from California is precisely right. They would not be apt to issue any more currency than they would bonds. You would issue enough to carry on the business of this war, as you did before.

Let me tell you something. If you had today to pay the interest on the Lincoln currency, or the Lincoln bonds, if you should call them bonds, of \$450,000,000, it would cost you \$2,000,000,000.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Idaho.

Mr. WHITE. When we went into the Civil War we did not have \$50,000,000,000 of debt, and we did not have a \$2,000,000,000 interest load as a handicap.

Mr. BURDICK. I presume the gentleman is right.

I am going to leave these two questions with you: Why can you not issue the currency? Why do you want to issue the bonds and keep up this interest system, when it will amount to more in 1943 than the cost of this Government? Why do you do it, you experts?

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, as Amos said to Andy, "Where is we?"

From the time the Federal Reserve System was established in 1913 until 1935 that System had authority to buy bonds directly from the Treasury of the United States. In 1935 it was changed by an amendment in an act that went through this Congress. It is now proposed by title IV of this bill to restore the power that existed from 1913 to 1935. The question arises, Why should it not be restored? What is the difference between buying bonds directly from the Treasury and buying them in the open market?

There is much difference between buying bonds from the Treasury and buying them in the open market. The first thing you do, of course, is to weaken the stabilizing function of the open-market activity. The whole purpose of the Federal Reserve's activity in shopping in the open market is to sell bonds and siphon money from the market. Its purpose is to buy bonds and put money into the market. It is a stabilizing operation.

Is there any stabilization in taking the bonds as they roll from the printing

press and hauling them down to the Federal Reserve? There is no stabilization whatever. What you do is to make a bond repository out of the Federal Reserve for the issuings of the Treasury Department. If the amendment is not adopted, there is no limit to where you can go in piling up these bonds in the Federal Reserve System.

The second difference between buying bonds from the Treasury, as is proposed in title IV, and buying them in the open market is that you cannot buy a bond in the open market until it is in the market. How does it get into the market? The Treasury issues it. Before it goes into the market it has to have a maturity. Before it goes into the market there has to be an agreed interest rate. The rate has to be conditioned upon the condition of the market and what it will accept. You can send these bonds to the Federal Reserve out of the Treasury if you like—and there is no limitation—without any interest rate whatsoever. It may never be done, but the permissive authority in this bill makes it possible.

They say they will not use the power. Can we be sure? They say it is permissive. Can we be sure? They say it is temporary. Yes; the Silver Purchase Act was temporary in 1934, and it has cost us \$1,400,000,000 worth of useless, sterile, barren silver, for which we paid a subsidy of \$500,000,000. It is still on the books.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Not now.

Mr. WHITE. The gentleman does not want to be informed, then.

Mr. DIRKSEN. Mr. Chairman, I do not care to be interrupted.

The Reciprocal Trade Agreement Act was temporary. It has been on the books for 8 years.

Do not be deluded about this sort of thing as to whether or not it will be used. There are \$2,250,000,000 of these bonds in the Federal Reserve today. It was so stated in the Senate. The amendment will be salutary in placing thereon a limit of \$5,000,000,000 on bonds from the Treasury. The reason for it is that you will not then be able to monetize the whole debt through the Federal Treasury and the Federal Reserve System.

If the interest rate goes to nothing, then according to my friend from Mississippi there will be no difference between issuing a piece of green paper called currency and issuing a bond. The gentleman from North Dakota says, "What is the difference?" There is a lot of difference. Anyone can see that the only amount of currency that remains in the market is the amount that is used because of the necessities of trade, industry, and commerce. Instead of there being \$12,000,000,000 in currency, suppose you have \$60,000,000,000; what happens? It goes right back to the banks. Then what? It is impounded, it is useless, and we have to go through the same process all over again, until finally you get to the condition that existed in Chile just a few years ago, when a pair of ordinary shoes cost \$250.

That is the answer. There is no need of belaboring this point any longer. This could be a dangerous provision. I do not say it is; but this title standing in the naked language in which it was submitted to the House could be a very dangerous power, indeed, if it were used and had to be used without limit. Let us put a limit on this pipe line from the Treasury Department to the Federal Reserve by at least adopting that amendment. It will have a wholesome effect on the country.

[Here the gavel fell.]

Mr. KEAN. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I must say that I agree with almost everything the proponents of this bill say with reference to this title, for the practical workings of the proposed methods of financing would actually be no more inflationary than are the present methods.

What is the great difference between buying bonds directly from the Treasury or letting the Treasury sell bonds first to, say, the Chase Bank, and then having the Federal Reserve banks buy the same bonds from the Chase Bank? Both methods are highly inflationary.

But, in spite of these facts, I am supporting the Smith amendment. Why? Because inflation is largely a question of psychology. This title permits one branch of the Government, the Treasury, to sell bonds direct to what to all intents and purposes is another branch of the Government, the Federal Reserve, which provides the funds either by establishing merely a book debit or uses the bonds themselves as security to print the money to pay for them. Certainly in the eyes of the public this will not look like a real sale but only a scheme for printing-press money.

Today inflation is a touch-and-go proposition, and anything which might frighten the people should be avoided. As this is the same method which was used in France and Germany to bring about inflation, many people rightly or wrongly fear its consequences. The provisions of the Smith amendment should be sufficient to take care of all emergencies and would not subject the morale of the people to any question as to future buying power of the dollars which we are asking them to place in defense bonds. Any inflation psychology must be avoided at all costs at this time.

Mr. DEWEY. Mr. Chairman, I move to strike out the last two words.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield for a minute to see if we can arrange some limit with regard to debate?

Mr. VOORHIS of California. Mr. Chairman, I have another amendment I want to offer to this section.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, is the 20 minutes in addition to the time that has already been allotted to the gentleman from Illinois [Mr. DEWEY].

Mr. SUMNERS of Texas. It would include that time.

Mr. WOLCOTT. Can the gentleman from Texas give us any assurance there will not be other amendments to this provision?

Mr. SUMNERS of Texas. I would not want to undertake that.

Mr. VOORHIS of California. Mr. Chairman, I have an amendment to this title.

The CHAIRMAN. If the Chair may be indulged a moment, the Chair is advised by the Clerk that there is only one amendment pending on the desk to title IV, and that is the one offered by the gentleman from California [Mr. Voorhis].

Mr. WOLCOTT. Does not the gentleman believe that the limitation should be on the pending amendment and not all amendments to the title?

Mr. SUMNERS of Texas. Then I ask unanimous consent, Mr. Chairman, that all debate on this amendment and all amendments thereto, close in 15 minutes exclusive of the time of the gentleman who now has recognition.

The CHAIRMAN. Does the gentleman make that request with respect to the amendment offered by the gentleman from Illinois and the substitute amendment offered by the gentleman from Virginia [Mr. SMITH]?

Mr. SUMNERS of Texas. That is correct.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on the amendment offered by the gentleman from Illinois [Mr. DEWEY] and the substitute amendment offered by the gentleman from Virginia [Mr. SMITH] close in not to exceed 15 minutes, exclusive of the 5 minutes already allotted to the gentleman from Illinois [Mr. DEWEY]. Is there objection?

There was no objection.

Mr. DEWEY. Mr. Chairman, in addressing the House this morning relative to the amendment I offered I stated that the main purpose of the amendment was to take care of the requirements of the Treasury Department during any possible emergency, but at the same time to somewhat limit what they might consider was the emergency requirement. I like the amendment offered by my colleague the gentleman from Virginia [Mr. SMITH], and am prepared to withdraw my own amendment, because his amendment sets a definite limit in dollars as to the amount of securities the Treasury may sell directly to the Federal Reserve System, and, as I understand, have outstanding in an aggregate amount at any one time. I would like to ask the gentleman from Virginia if what I have stated is his understanding.

Mr. SMITH of Virginia. That is my understanding. The only limitation imposed by the amendment is that the Treasury cannot sell directly to the Federal Reserve in excess of \$5,000,000,000.

I would like, if the gentleman will yield further, to make this statement. I have been asked two or three times what limitation this imposes upon a Federal Reserve bank to own bonds. It imposes no limitation. A Federal Reserve bank has the right to buy bonds in the open market, or to own bonds, or to acquire them in any way other than directly from the

Treasury, and that right is not affected in any way, shape, or form by either the amendment of the gentleman from Illinois or the amendment which I have offered. The sole limitation this places is that in the aggregate the Federal Reserve cannot buy directly from the Treasury more than \$5,000,000,000 worth of bonds.

Mr. DEWEY. Mr. Chairman, I ask unanimous consent to withdraw my amendment to title IV.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, I now offer my amendment as an original amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 12, line 11, after the word "interest", insert "to an aggregate amount not exceeding \$5,000,000,000."

Mr. McLAUGHLIN. Mr. Chairman, we have all been very much interested and I am sure entertained by the discussions of the general subject of money and monetary policy. As a member of the Committee on the Judiciary which held hearings on this bill, I should like to be permitted in these closing moments to address myself to the title under discussion, title IV. Let us get back to the fundamentals of the case. Title IV, Mr. Chairman, merely proposes to remove from the existing law that provision which restricts the Federal Open Market Committee of the Federal Reserve System in its purchases of Government obligations to purchases on the open market. If title IV is enacted, the Federal Reserve System can buy either in the open market or directly from the Treasury. It may proceed either way it sees fit. The Chairman of the Federal Reserve Board testified before our committee and stated that in the opinion of the Federal Reserve Board, this power to purchase in either way it sees fit is essential in this time when our country is in its war crisis. You will note particularly in the report the statement on page 8 that it was represented to this committee that this power will not be used as a substitute for the ordinary method of financing Government securities, but will be used as an extraordinary power at times when the stability of the market may be otherwise impaired. The main objection to this title running current through this whole discussion is that if it is enacted, it will be inflationary in effect. I am not going to ask you to be governed by my words on the subject. We have listened with interest and respect while a great many Members discussed the matter. I now quote another whose words, we will all agree, are worthy of our solemn and most respectful consideration. I refer to the distinguished gentleman from Virginia, the author of the Federal Reserve System in 1913, Senator CARTER GLASS, who says, and I ask the attention of the committee, because it seems to me that this is the heart of the whole controversy:

It is represented to me that it is necessary in the case of such an emergency as occurred by the action at Pearl Harbor. I do not think there will be a recurrence of that sort of incident, and it ought not to have occurred when it did occur; but there is nothing of a mandatory nature provision relative to the purchase of bonds by the Federal Reserve banks. They need not purchase a dollar of bonds unless they want to do so; it is altogether permissive.

I do not care much about it. I do not think it is going to result in any inflation whatsoever, because I do not think the Federal Reserve banks are going to buy Government bonds unless they want to buy them, and unless it is to the interest of the banks to buy them. The Federal Reserve banks are not owned by the Government; they are owned by private authority; they are owned by the stockholder member banks of the respective districts, and the Government cannot force the banks to buy its bonds unless they want to buy them.

The gentleman from Illinois [Mr. DEWEY] and the gentleman from Michigan [Mr. WOLCOTT] both quote from a letter from Professor Spahr, the economist.

Mr. DEWEY. Oh, I rise to correct that. I did not quote from him. That was in the original act.

Mr. McLAUGHLIN. The gentleman quoted the law. Mr. Chairman, I have in my possession a letter from the general counsel of the Federal Reserve Board, the Honorable Walter Wyatt, who for many years has occupied that position. He states that the law quoted relates to possible conflicts of jurisdiction between the Secretary of the Treasury and the Governor of the Federal Reserve System, and has nothing whatever to do with the Federal Open Market Committee, which is the only body having any power to require the Federal Reserve banks to buy Federal bonds. Mr. Chairman, the additional question may arise as to whether, if you give this power to the Federal Reserve System, it will be exercised in an inflationary way. I submit that the record of past performance of the Federal Reserve System demonstrates that it will not. I call attention to the fact that the Federal Reserve Board on December 31, 1940, submitted a report to the Congress in which it urged specific recommendations to hold down inflation. In other words, the Federal Reserve Board is not an inflationary board—not actuated by inflationary motives. It is against inflation. There is nothing inflationary about title IV. I submit it should be enacted in the form in which it appears in the bill.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion of the gentleman from Michigan.

The Clerk read as follows:

Mr. WOLCOTT moves to strike out all of title IV, as a substitute for the Smith amendment.

The CHAIRMAN. That is not a substitute and it certainly is not a preferential motion.

The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were ayes 84 and noes 92.

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. SMITH of Virginia and Mr. McLAUGHLIN.

The Committee again divided; and the tellers reported there were ayes 128 and noes 93.

So the amendment was agreed to.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment, which is at the desk.

Mr. SUMNERS of Texas. Mr. Chairman, I wonder if we may not reach some agreement as to time for closing debate on this section? I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection? Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I have not yet heard the gentleman's amendment. I think many of us are in the same position.

The CHAIRMAN. Does the gentleman object to the request?

Mr. SUMNERS of Texas. Mr. Chairman, I will withdraw the request for the moment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from California.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 12, line 11, strike out the period and the quotation marks at the end of the line and add the following: "And provided further, That all obligations of the United States bought directly from the Treasury by any Federal Reserve bank shall be non-interest-bearing obligations."

Mr. VOORHIS of California. Mr. Chairman, I offer this amendment because it is right. Other Members have made parts of my speech today over and over again. Other Members have pointed out that the Federal Reserve banks are privately owned institutions. They have also pointed out that when the Federal Reserve banks purchase obligations from the Treasury they do it with new money which they create for the purpose—generally in the form of credit upon their books. In other words, by that transaction the American people would be paying interest to a private institution when that private institution exercised the fundamentally governmental power of monetary creation. My amendment seeks to make that impossible.

I know two objections that will be raised to it. One of them will be to say that you need to have these bonds so that they can be sold by the Federal Reserve if desirable, and that they could not sell them if they did not bear interest. Of course that is true, but if the time comes when a further amount of interest-bearing bonds can be put on the market by the Treasury, the Treasury could then sell those bonds and redeem the non-interest-bearing bonds which the Federal Reserve had taken, if that were wise policy.

Another argument will be that you need to compensate these Federal Reserve banks for their work in handling the Government account. I submit that at present since they hold two and one-quarter billions of Government interest-bearing obligations, and the yield from that alone is \$50,000,000 a year, I think they can get along. Member banks have received their 6-percent dividends regularly all through the depression and still, even in these years, a surplus considerably in excess of the paid-in capital has been accumulated.

There are three ways to finance this war. One is by taxes. The other is by real borrowing, whereby the Government obligations are sold to people who buy those obligations with money or credit that they have in their possession and which they give up in order to buy the bonds. The third method of financing the war is by what I call false borrowing. It is by money creation, which, however, takes place at present through the banks who create credit, backed in the end by the power of the Federal Reserve to issue Federal Reserve notes and then loan that credit to the United States Government by purchasing interest-bearing obligations.

The gentleman from Virginia [Mr. SMITH] offered an amendment which limited to \$5,000,000,000 the amount of bonds that could be bought directly by the Federal Reserve. In my judgment that would not have made the slightest bit of difference in the amount of total bonds that would have been sold in this way. As the chairman of the Committee on Banking and Currency previously explained today, there is no essential difference between selling these bonds to any commercial bank or selling them to the Federal Reserve banks, so far as bringing about the creation of new money is concerned. Had the gentleman's amendment been a limitation on the total amount of bonds that could be sold to any bank for newly created money, it would have been a very different proposition, and one very appealing to me as a matter of monetary principle. Because if you want to avoid inflation, if you really want to do it, the important thing is not who creates the money, not whether an interest burden is unjustifiably placed on the American people, but whether or not new money is created by anybody on the one hand, or on the other hand whether the war can be financed by means of taxes and the sale of bonds to the people for their real purchasing power which they give up to their Government temporarily.

I voted against the Smith amendment because it would only limit sales to the Federal Reserve—not to banks generally. It would not have prevented the manufacture of money by the banks—a thing which could happen in the colossal amounts already set forth today by the able chairman of the Banking and Currency Committee [Mr. STEAGALL]. Therefore the Smith amendment would only have narrowed very sharply indeed the chance of the Federal Reserve to act in time of emergency and to keep down the rate on Government bonds.

My appeal for my amendment is very simple. I think it indefensible to expect

the American people to pay interest to a private banking institution when all that private banking institution does is to create money and purchase from the people's Treasury an interest-bearing obligation.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, the gentleman from California has very thoroughly explained his amendment. It ought to be understood by everybody in the House. I ask unanimous consent that all debate on this amendment do now close.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, I would like 3 minutes.

Mr. SUMNERS of Texas. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this section and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for 3 minutes.

Mr. HOFFMAN. Mr. Chairman, we are going to have an election in November and you gentlemen are all interested just the same as I am. I want to be reelected and come back here and I suspect that some of you have a similar desire. There are a lot of farmers in my district. They want some more money. Most people do. They have been getting a whole lot of money in the last few years from the Government, but they want more. That is nothing abnormal. Over in the Senate yesterday, they passed a little legislation which will give the farmers some more money. I would like to go along and give my farmers some more money. Then some of them may vote for me. That would be a natural reaction. Up in Michigan the C. I. O. wants \$300,000,000 from the Federal Government to be handed out to those of its members who are temporarily out of jobs. They want something like \$24 a week for 20 or more weeks, though under State law they would get something like \$20 a week for a limited period. The farmers do not get anything while they are waiting for the crops to grow nor while the cow is dry. My district is thoroughly organized by the C. I. O., even my little home town; and those fellows are not going to vote for me—at least they say they will not—unless I do something for them. The C. I. O. wants an increase of a dollar a day in their wage. Sometimes they only ask for an increase of 10 cents an hour. They want double pay if they work on Sunday or on a holiday. And they do not want anyone who does not belong to their union to work where they have good jobs.

Now, I would like to give them some more money. I would like to vote for everything they want. I would like to be 110 percent C. I. O., A. F. of L., nonunion. Then everyone would be happy and I would get a lot of votes. I would like to vote for everything anybody wants. Then I would get all the votes—or would I? Then I have a large number of Townsends, and have had for something

like 6 years. Their present demands are comparatively modest. They say that as long as we voted ourselves pensions, they ought to have something. At one election 8,000 of them voted against me. I would like their votes. It would help a lot. Then there is a group of postal employees—mail carriers and clerks in the post office and others—who want pensions or increase in pay or shorter hours or something. They tell me without any equivocation at all that they are going to skin my political hide right off of me unless I go along and help them out. It makes me shiver and get all goose pimply just to hear them. Now, I want to do that, give everyone something and, incidentally, I could go on here naming groups and organizations and people and projects almost without end. You know the story. But I would like to know what I have got to do and got to vote for in order to be reelected. If I can, I would like to save at least a few dollars to carry on the war. But if I vote for everything I am asked to vote for there will not be anything left for the war. And people keep telling me and writing me that if I do not vote the way they want me to vote I will not be here next year. So if you will just write me a letter confidentially—I will not use your name—telling me how I can be reelected, I would appreciate it. Or maybe I will die before next election and all my worry is just silly. So on second thought you need not write me at all. Just follow the good advice you would have given me.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 12, after line 11, insert a new title, as follows:

"TITLE IV—A

"That during the national emergency declared to exist by the President on May 27, 1941, the following provisions of law, as amended, are suspended, insofar as they—

"(a) Prescribe the maximum hours, days, or weeks of labor in any specified period of time;

"(b) Require compensation at a rate higher than the usual rate at which an employee is employed (1) for labor in excess of a specified number of hours, days, or weeks in any specified period of time, or (2) for labor on Sundays, holidays, or during the night; or

"(c) Require stipulations in contracts which prescribe maximum hours of labor or require compensation at a rate higher than the usual rate at which an employee is employed for labor in excess of a specified number of hours, days, or weeks in any specified period of time, or for labor on Sundays, holidays, or during the night—

"(1) 'An act to expedite the strengthening of the national defense', approved July 2, 1940;

"(2) 'An act establishing overtime rates for compensation for employees of the field services of the War Department, and the field services of the Panama Canal, and for other purposes', approved October 21, 1940;

"(3) 'An act authorizing overtime rates of compensation for certain per annum employees of the field services of the War Department, the Panama Canal, the Navy Department, and the Coast Guard, and providing

additional pay for employees who forego their vacations', approved June 3, 1941;

"(4) 'An act providing for Saturday half holidays for certain Government employees', approved March 3, 1931;

"(5) 'An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936;

"(6) 'An act to expedite national defense by suspending, during the national emergency, provisions of law that prohibit more than 8 hours' labor in any 1 day of persons engaged upon work covered by contracts of the United States Maritime Commission, and for other purposes', approved October 10, 1940;

"(7) 'An act to expedite national defense, and for other purposes', approved June 28, 1940;

"(8) Communications Act of 1934;

"(9) 'An act to provide a civil government for Puerto Rico, and for other purposes', approved March 2, 1917;

"(10) 'An act to make emergency provisions for certain activities of the United States Maritime Commission, and for other purposes', approved May 2, 1941;

"(11) 'An act to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by providing for and expediting a public-works program', approved July 21, 1932;

"(12) Fair Labor Standards Act of 1938, as amended;

"(13) 'An act limiting the hours of daily service of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes', approved June 19, 1912;

"(14) 'An act relating to the limitation of the hours of daily service of laborers and mechanics employed upon the public works of the United States and the District of Columbia', approved August 1, 1892;

"(15) 'An act making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes', approved September 9, 1940;

"(16) 'An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes', approved March 3, 1931;

"(17) 'An act making appropriations for the naval service for the fiscal year ending June 30, 1918, and for other purposes', approved March 4, 1917."

Mr. CELLER. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Virginia [Mr. SMITH] on the ground that it is not germane to the bill.

The CHAIRMAN. The Chair will be pleased to hear the gentleman in support of his point of order.

Mr. CELLER. Mr. Chairman, I make this point of order with reluctance, because we all have the greatest respect generally for the gentleman from Virginia and specifically for his ability as a parliamentarian; nevertheless, as a member of the Judiciary Committee and pursuant to the wishes of the committee to keep the bill intact as reported, I submit the point of order.

I believe that the so-called Smith amendment suggested to title IV—a is not germane to the text of the bill and is not germane to the specific purposes of the bill. It is not germane to any particular title of the bill. It is offered as a brand-new title. The only similarity I see is in the heading of the Smith amendment, which is in fact a mere re-

statement of his bill, H. R. 6616, entitled "An act to expedite the prosecution of the war effort." The Senate bill before us carries the heading "To further expedite the prosecution of the war." It may be the same label but it is different wine in a different bottle. And the title or label does not change the contents of the bill or the bottle. Merely calling a thing something does not make it so.

The Smith amendment is exclusively a labor provision.

If you examine the Senate bill you do not find the word "labor" mentioned even once throughout the length and breadth of the bill. The so-called Smith amendment refers specifically to maximum hours of labor and rates of pay, and suspends some 17 specific acts relating to labor. The only mention you have in the entire bill—S. 2208—remotely resembling labor is the word "employee," which appears on page 15 of the bill, and that refers to the O. C. D., the Office of Civilian Defense. The only other word remotely connected with labor is to be found with reference to an amendment to the Hatch Act on page 15, where the word "employee" is used. The Hatch Act concerns primarily political activity of those who hold governmental positions.

The word "employee" in title VII and in title VIII, page 15, has not the slightest connection with anything having to do with the general labor provisions of the so-called Smith amendment.

There is a third significant word used in the bill before us that only has a remote connection with labor, and that is the use of the word "manpower" on page 16, line 20, which has reference to the Civilian Conservation Corps manpower. I submit that has nothing to do with the provisions of the Smith labor amendment.

The Smith amendment provides for maximum hours of employment and rates of pay. It suspends the operation of some 17 different public acts. The bill before you has nothing to do with any or all of the acts thus sought to be suspended. It has naught to do with hours of employment or rates of pay. It is not a labor bill.

If the Chair will examine carefully the bill S. 2208 he will find that title I, if it had been submitted as a separate and distinct bill to its appropriate committee, would not have been referred to the Labor Committee but would have been referred to the Committee on Interstate and Foreign Commerce, because it amends the Interstate Commerce Act.

Title II, were it a separate bill, since it concerns the activities of the Secretary of War, the Secretary of the Navy, and the subordinate boards of those entities, would have been referred, if it had been offered as a separate bill, either to the Military Affairs Committee or the Naval Affairs Committee.

Title III, referring to priority powers might have been referred to either the Military or Naval Affairs Committees or to the Judiciary Committee since it concerns the negotiation of contracts for the acquisition, construction, and repair of naval vessels or aircraft. Since it also concerns the requisitioning of records and involves jurisdiction of the courts, it

might have been appropriately and logically referred to the Committee on the Judiciary. It would not have been referred to the Committee on Labor.

If the Chair will examine title IV he will find that it concerns, primarily, fiscal matters having to do with the direct purchase by the Federal Reserve Board of Government bonds, and would in the ordinary course of events have been referred to the Committee on Banking and Currency. It could not have gone to the Committee on Labor.

Title V, since it refers to the waiver of navigation and inspection laws, would, of necessity, have been referred to the Maritime Committee, and not to the Labor Committee.

Title VI, since it concerns registration of firearms and has something to do with the power to requisition property, might have been referred to either the Judiciary Committee or the Committee on Interstate and Foreign Commerce.

Title VII refers to the Hatch Act, which is within the exclusive province of the Judiciary Committee. It does not concern labor.

The Committee on Military Affairs undoubtedly would have had control over title VIII, concerning compensation for certain civilian defense workers.

Title IX, since it concerns the protection of war industries and the assignment of manpower of the C. C. C. and to the protection of munitions and defense plants, might have been referred to the Committee on Military Affairs. Labor is foreign to it.

Title X would undoubtedly have gone to the Post Offices and Post Roads Committee, since it concerns free postage for soldiers, sailors, and marines.

Title XI is exclusively a naturalization section and would have gone to the Committee on Immigration and Naturalization.

Title XII, since it concerns the setting up of a sort of war-contribution fund and provides for the reporting of gifts and funds to Congress, might have gone either to the Committee on the Judiciary or to the Ways and Means Committee.

Title XIII would have gone to the Committee on Coinage, Weights, and Measures.

Title XIV concerns the inspection and audit of war contracts and contractors' activities, and might have gone and probably should have gone, were it a separate bill, to the Committee on the Judiciary.

Lastly, title XV exclusively concerns census reports and would have gone to the Committee on the Census.

So that not a single title of this lengthy bill would have gone to the Labor Committee, to which the Smith amendment, if it had been a separate bill, should undoubtedly have been referred.

It may be that the Smith amendment generally relates to the provisions of the bill before us in certain respects, but it is not germane to it and germaneness and relativity are two entirely different propositions.

There are a number of precedents on the subject. I do not care to belabor the point too much. I think the chairman of the Committee of the Whole is familiar with the precedents, therefore I

shall not outline them. They are all outlined in section 794 of the rules of the House. There are a number of very excellent precedents for both my contentions and I shall not dwell longer on the subject matter.

Mr. Chairman, I trust the point of order will be sustained.

Mr. MARTIN J. KENNEDY. Mr. Chairman, I rise in support of the point of order.

The CHAIRMAN (Mr. COOPER). The Chair will be pleased to hear the gentleman, and will appreciate it if arguments on the point of order are confined to the point of order and as succinctly stated as possible.

Mr. MARTIN J. KENNEDY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN J. KENNEDY. May I ask the form in which this is proposed at this time? Is it a new paragraph?

The CHAIRMAN. It is in the form of a new title to the pending bill.

Mr. MARTIN J. KENNEDY. Mr. Chairman, the question before this committee is the germaneness of the amendment of the gentleman from Virginia [Mr. SMITH] to the pending bill. The amendment in the form of a new title proposes to do something that was not intended to be done by the pending bill.

The rule as to germaneness goes back to the early days of the Congress and is a well-recognized principle of parliamentary procedure. The principle was developed for the purpose of stopping hasty, ill-conceived legislation from finding its way to the floor without an adequate or proper hearing. In my opinion, the amendment of the gentleman from Virginia [Mr. SMITH] is the sort of proposal, a proposal to repeal 18 existing laws, some of which date back to 1868, all affecting the workingman, that should not be considered as an amendment to a pending bill—but if offered should be ruled out on a point of order.

Those laws which would be affected by the Smith amendment have become a part of our social system. When it is attempted to do so by a single amendment, offered as a new title to a bill under consideration, the Chair should interpret the rule on germaneness in deciding a point of order, literally and not otherwise.

We have come to realize that laws affecting hours of labor, wages, and working conditions are most important and vital to the welfare of our people and country. We are bound to preserve the rights of the working people of this Nation and should resist every attempt, under any title or guise, to take from labor its social gains.

This proposed title would make it possible to change all of gains by one sweep of the hand without a hearing being accorded to labor. I cannot believe the people of this country would want nor do I believe the philosophy of our parliamentary law contemplated our abandoning an established policy, the American way, through a clever amendment to an important bill requested by the President's committee for the national emergency.

We all know that in existing law there is nothing that could prohibit the Army or Navy from demanding any employee to work more than the stipulated time. The Commander in Chief, President Roosevelt, is in charge of the war program and can make a ruling to meet any situation during the war.

Mr. Chairman, I respectfully submit that this is not the proper time to consider the Smith amendment. Under the ruling of Chairman Fitzgerald, in 1914, and other rulings, since that time, it has been the practice of this House to only consider matters of such importance separately and on their merits and not as a tall to a war measure.

There are 17 separate laws, which are to be repealed by the Smith amendment, and they are to be repealed by 1 vote. Mind you, only 1 vote to wipe out 17 laws and the social gains of more than 50 years.

Because I firmly believe that to allow the Smith amendment to be considered as an amendment to the war powers bill is against the best interest of our Nation and every worker, and because, in my opinion, it violates the principle of our parliamentary procedure, requiring debate and proper hearings, it should be regarded by the Chairman as not being germane, and accordingly I ask that the point of order made by the gentleman from New York [Mr. Celler] against the Smith amendment be sustained.

Mr. HEALEY. Mr. Chairman, I desire to address the Chair on the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Massachusetts on the point of order.

Mr. HEALEY. I assure the Chair I shall be very brief and confine myself to the point involved.

Mr. Chairman, this proposed amendment seeks to suspend the provisions of existing law. I make the point that the laws affected, or any sections of those laws, or any matters related to them are not presently before the House for consideration.

I make the further point that the laws themselves or certain sections of the laws should be before the House for consideration in order for this amendment to be germane. While a committee may report a bill containing several subjects and unrelated subjects, it is not in order during consideration of that bill to introduce a new and entirely unrelated subject.

I submit, Mr. Chairman, that the amendment deals with the suspension of sections of laws relating to hours and wages, and that there is no section of the bill now under consideration, as reported by the committee, that deals with that subject or any subject related to it.

I make the further point that this amendment is so comprehensive as to suspend or repeal the provisions of 17 different statutes, and that it is remote and unrelated to the subjects under consideration in the bill and is therefore not germane to the bill.

Mr. Chairman, the purpose of the application of the rule of germaneness is to prevent hasty and ill-considered legislation; legislation which may not be at

all related to the subject matter under consideration; legislation which Members may have had no intimation would be presented on the floor. A well-ordered and proper consideration of legislation should prevent the introduction of an amendment, such as this, entirely unrelated, and irrelevant and remote from the subject matter under consideration.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Virginia in opposition to the point of order.

Mr. SMITH of Virginia. Mr. Chairman, the Chair, and everyone else, of course, recognize that this is an unusual situation, because we are considering what is known as a war-powers bill, a bill which has 16 separate titles, no two of which are germane to each other.

The argument in the matter has gone to a great deal of length to show that the different titles already in the bill would have gone to sundry committees. Of course, they probably would, but we are dealing with an extraordinary situation by reason of the fact that we are seeking to enact emergency legislation, as expressed in the title, to further expedite the prosecution of the war.

I respectfully submit, Mr. Chairman, that the argument that has been made here by the gentleman in support of this point of order can be made with equal force and with equal authority against every single title in the pending bill, because there is not one of them that is germane to any other part of the bill, and when he argues a point of order against my amendment, he argues against every title of his own bill.

However, that is not the question that is involved here, Mr. Chairman. The question that is involved here is, What is the fundamental purpose of the legislation under consideration? The fundamental purpose of the legislation is to facilitate the war effort.

Let us take the history of this particular amendment and see what has happened to it. In the first place, the Committee on the Judiciary held hearings on this very proposition. I appeared before the committee. Nobody then seemed to conceive the idea that it was not a proper feature to go into this war-powers bill.

I then introduced an amendment to the first war-powers bill, which is the same amendment that is being offered here today as a new title to this bill, and it is so entitled "A bill to amend the First War Powers Act."

Now, certainly, if it is relevant and germane to the first War Powers Act it is germane to the second War Powers Act, and when I introduced that bill to amend the first War Powers Act it was referred to the Judiciary Committee and no one indicated then that the Judiciary Committee would not have jurisdiction or that it would not be in all respects germane.

I think I should correct a misstatement, doubtless inadvertently made, by the gentleman from Massachusetts, to the effect that this amendment repeals certain laws. If the gentleman would take the trouble to read the first few sections of the bill he will see it does not repeal anything. There is a difference between repeal and suspension and, as a

matter of fact, this is an emergency matter. The only reason we are here today with all these 15 titles is the emergency we are in. Let us see what is the emergency with respect to this particular matter.

With respect to this particular item we are in a situation where Congress has heretofore on two occasions suspended most of the provisions contained in this amendment. Why? You suspended them because it was necessary in order to carry on our war efforts, but under the terms of that suspension, such suspensions will expire on the 30th day of June of this year and unless Congress acts, and acts in an emergency manner, we are going to be back in the very place where we were before Congress acted on suspending them temporarily.

I would now like to call the attention of the Chair to certain extracts from Hinds' Precedents. Of course, I believe the Chair will probably agree with me that there is very little precedent on this direct point. I think it is fair to say this is a novel point, where a point of order is raised to the germaneness of a new title to a bill that has 16 titles, none of which is related to the other. So you cannot depend upon the ordinary rules and precedents of the House, because there has never been any precedent for any such situation as now exists, but there are rulings on related questions to be found and I direct the attention of the Chair to volume 8 of Cannon's Precedents, paragraph 2911, where it says:

The rule providing that amendments must be germane has been construed as requiring that the fundamental purpose of an amendment be germane to the fundamental purpose of the bill to which it is offered.

This was a ruling by Chairman Kitchen and all that seems to be necessary in a situation of this kind is that the fundamental purpose of the bill, which is, namely, to expedite the war effort, shall be germane to the fundamental purpose of the bill to which it is offered. In volume 8 of Cannon's Precedents, at section 2935, we find this ruling:

The rule of germaneness does not necessarily require that an amendment offered as a separate section be germane to the preceding section of the bill or to any other particular section of the bill, but it is sufficient that it is germane to the subject matter of the bill as a whole.

Now, Mr. Chairman, I respectfully submit that the amendment is in order and ask for a ruling by the Chair.

Mr. McLAUGHLIN. Mr. Chairman, I rise to make a statement in connection with the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman on the point of order.

Mr. McLAUGHLIN. I ask for recognition for the reason that I happen to be chairman of the subcommittee which heard the witnesses on the bill before us, S. 2208, and for that reason, perhaps, can contribute something that may be beneficial to the Chair in making a determination of the issue before him.

The bill before us was introduced by the chairman of the Judiciary Committee, the gentleman from Texas [Mr.

SUMNERS], and referred to Subcommittee 4, of which, as I say, I happen to be chairman. The hearing record, with which, I assume, the membership is familiar, contains a statement of the genesis of the bill, contains a statement that the bill is the result of the work of a committee appointed by the President very shortly after we entered the war, and that the purpose of the bill is to modify by amendment existing laws for the purpose of bringing the law into such a state that it will serve to expedite our war efforts. Hearings were had on the bill, which contained 15 titles. Prior to the conclusion of the hearings and before the subcommittee entered upon executive consideration of the bill, following the hearings, the Department of Commerce came before our committee and suggested an additional title, representing that it was in harmony with the purpose of the President and the committee to which I have referred. This title was incorporated in the bill and now appears as title XV. The then title XV was moved to title XVI, the last formal title in the bill.

Following this, the gentleman from Virginia [Mr. SMITH] came to the judiciary room at a time when the subcommittee was in consideration of the bill in executive session for the purpose of reporting it out after the hearings. The hearings had been closed. The gentleman from Virginia [Mr. SMITH] came before the committee and asked if he could make a statement, and he was permitted to do so. He stated he desired to present an amendment, which, I presume, would be somewhat in line with the amendment he here presents, although the amendment was not presented. So this matter came before the subcommittee in the informal way which I have described.

Mr. Chairman, it occurs to me that this bill is a bill with a single common purpose running firmly through it, and that is to expedite the war effort. I think the title so indicates. The amendment proposed by the gentleman from Virginia [Mr. SMITH] is an amendment which would modify 17 different laws which are now on the statute books. The question of whether or not this amendment is germane to the bill itself is, of course, as has been pointed out, one upon which there is no precedent for the reason that the bill is an omnibus bill, and I presume one the character of which has never been known before. However, in applying the test of germaneness, it occurs to me that the question before the Chair would be whether this amendment is in strict line with the purposes of the bill as manifest within the four corners of the bill.

Mr. McKEOUGH. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from Illinois.

Mr. McKEOUGH. Are we to assume, in the light of the amendment that is now being subjected to consideration, not being incorporated in the bill, that the gentleman's committee assumed that it was not within the four corners of the purposes of the bill that is pending before the House?

Mr. McLAUGHLIN. I may say to the gentleman that we were endeavoring to

cooperate with those who are charged primarily with the prosecution of the war. The President and his committee organized for the purpose of suggesting amendments to laws which amendments would have the effect of expediting prosecuting the war submitted to our distinguished chairman a bill which was represented to us to be a bill to accomplish that purpose. We did not go outside the scope of that bill to entertain an additional bill except as to one title, to which I referred, title XV, as it now appears, which had the approval of the President's committee, and in that way was incorporated in effect as a part of the original bill. For that reason we did not entertain Mr. SMITH's proposed amendment, an amendment I may say that the gentleman from Virginia [Mr. SMITH] did not present and did not attempt to introduce before the committee.

Mr. MARTIN J. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. Yes.

Mr. MARTIN J. KENNEDY. Do I understand that no request came to the gentleman or to the gentleman's committee from the President or from the President's committee for the proposals that are included in the Smith amendment?

Mr. McLAUGHLIN. That is correct. Mr. Chairman, I submit that statement for the purpose of endeavoring to add something to the record upon which the Chair may be able to reach a conclusion.

The CHAIRMAN. The Chair is prepared to rule. Of course, it is not within the province of the Chair to pass upon the question of the merits of the pending amendment. It is the province and the duty of the Chair to pass upon the question of the point of order made. The gentleman from Virginia [Mr. SMITH] offers an amendment to the pending bill, which has been reported. The gentleman from New York [Mr. Celler] makes the point of order against that amendment upon the ground that it is not germane to the pending bill. The Chair has been pleased to hear the arguments for and against the point of order. The Chair invites attention to the fact that the purpose of the pending bill is to further expedite the prosecution of the war. The bill embraces 16 different titles, all upon different subjects, neither of the 16 titles related to another. The very able argument offered by the distinguished gentleman from New York [Mr. Celler] in support of his point of order rather emphasized the fact that the various titles included in the bill are not related one to another. As pointed out by him, if introduced as separate bills, these different titles would have gone to a number of different standing committees of the House. The amendment offered by the gentleman from Virginia has for its purpose to expedite the prosecution of the war effort. This amendment is embraced in a bill, H. R. 6616, which was referred to the Committee on the Judiciary. The Committee on the Judiciary is the committee reporting the pending bill and having charge of the bill during its consideration here. During the course of the able argument offered by the distinguished gentleman

from Nebraska [Mr. McLAUGHLIN] in support of the point of order, the Chair understood a statement to be made that had the pending amendment been included among the recommendations made by the President's committee on this subject, it would doubtless have been included in the pending bill.

Mr. McLAUGHLIN rose.

The CHAIRMAN. For what purpose does the gentleman from Nebraska rise?

Mr. McLAUGHLIN. Mr. Chairman, I rise to state that I could not speculate on whether this amendment, if proposed to the chairman of the Committee on the Judiciary by the President's committee, would have been incorporated in the present bill. The chairman of the Committee on the Judiciary introduced the bill and of course it is within his province to introduce such bills as he sees fit to introduce.

I would not want the impression to remain that I stated that if the amendment suggested by the gentleman from Virginia [Mr. SMITH] had been presented to the Judiciary Committee or to the introducer of the bill it would necessarily have found a place in this bill. I am not in a position to make such a statement.

The CHAIRMAN. Permit the Chair to inquire of the gentleman from Nebraska, in view of the previous statement made by him and the statement now made, if the provisions of the amendment had been included in the recommendations of the President's committee, in the opinion of the gentleman from Nebraska would the question of germaneness have been raised in his committee?

Mr. McLAUGHLIN. I am not in a position to pass upon that hypothetical question, Mr. Chairman.

The CHAIRMAN. Resuming, the Chair was endeavoring to point out that there is an unusual situation presented in that the pending bill embraces 16 different titles, all titles on different and unrelated subjects. Therefore the Chair is of the opinion that the only proper and reasonable test that can be applied in a situation of this kind is the subject matter and the purpose covered by the pending bill and the pending amendment. The purpose of the pending bill is to further expedite the prosecution of the war. The purpose of the amendment offered is to expedite the prosecution of the war effort.

Therefore the Chair is of the opinion that the amendment is germane to the purposes of the bill, and the Chair therefore overrules the point of order.

Mr. MARTIN J. KENNEDY. Mr. Chairman, I respectfully appeal from the decision of the Chair, and on that point I would like to be heard.

The CHAIRMAN. Does the gentleman desire recognition on his appeal from the decision of the Chair?

Mr. MARTIN J. KENNEDY. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman is entitled to be heard for 5 minutes.

Mr. MARTIN J. KENNEDY. Mr. Chairman and Members, I appreciate the serious responsibility of the Chairman of the Committee of the Whole in making a ruling upon this important point of

order. At the same time, I realize the importance of his decision because it is so far-reaching and will serve as a precedent in the future. Unless we reverse the decision of the Chair, we might as well eliminate all the standing committees of the House and create one new committee, which could be called the Omnibus Bill Committee.

The Chair, during his ruling, mentioned the fact that a bill similar to the Smith amendment now before the House had been referred to the Judiciary Committee and that the Judiciary Committee had reported the pending bill. The impression seemed to prevail that there was some connection between the two bills because of the committee reference. There is no relationship existing other than the fact that the Judiciary Committee failed to act on the Smith bill, now the Smith amendment. As this matter involves 18 separate laws, it should be considered as a separate bill. It affects many vital phases of our relationship with labor that should be weighed most carefully before we make any changes in existing law.

Since 1868 the Congress and the thinking people of the United States have been deeply concerned about working conditions. To pass a law whereby you suspend all that has been accomplished in 74 years in the field of social welfare is the worst possible thing we could do, especially while we are pleading for national unity. We are talking about the supplies that are so necessary for the war program of our Government, but we must have more than talk; you must have men to do the work. You cannot expect men to work hard unless their hearts are in the job. The passing of this legislation will have the opposite effect. It is a sad blow for the working people of this country to have us decide that all favorable labor legislation must now be suspended. It is a very doubtful and unhappy procedure that makes it permissible at this point by a parliamentary device to obtain action in the House on an amendment which has never been carefully considered by a standing committee. It is absolutely wrong to permit, and I think the Chair erred in not ruling against the Smith amendment as an amendment to the pending bill.

Mr. GORE. Mr. Chairman, a point of order. The gentleman is not speaking to the question before the Committee.

The CHAIRMAN. The gentleman will proceed in order.

Mr. MARTIN J. KENNEDY. The ruling as to the germaneness of this particular title has been made upon the ground that it applies to the pending bill. I do not believe that it does apply. You may be able to regulate the issuance of bonds by law; you can fix the metal content of the 5-cent piece by law, but you cannot legislate ability, mechanical skill, and energy into a workman. This type of legislation will not only fail to inspire men but I fear for the opposite result.

I am sorry that the Chair has ruled the Smith amendment to be germane to the war-powers bill. I do not think it is germane under rulings heretofore made in this House, and for that reason I re-

spectfully disagree with the ruling of the Chair overruling the point of order against the Smith amendment. I think my appeal against the ruling of the Chair is well-founded and I trust the Committee will sustain my appeal.

The CHAIRMAN (Mr. COOPER). The question is, Shall the decision of the Chair stand as the judgment of the Committee?

The question was taken; and on a division (demanded by Mr. O'BRIEN of Michigan) there were—ayes 218, noes 14.

So the decision of the Chair stood as the judgment of the Committee.

The CHAIRMAN. The gentleman from Virginia [Mr. SMITH] is recognized for 5 minutes in support of his amendment.

Mr. SMITH of Virginia. Mr. Chairman, I spoke to this amendment on yesterday in general debate. I do not know that there is a great deal more I can say except to repeat to you, for the benefit of those who may not have been present and who have not read the Record, just exactly what it does, and no more.

A lot of wild statements have been made about what this amendment proposes to do. If you will get a copy of the bill H. R. 6616 you can see for yourself exactly what it does and what it does not do. Here is what it does: The amendment suspends all of the limitations on hours and the requirement for the payment of overtime for hours used in excess of 40 per week or 8 per day. That is all it does, and it is limited to the duration of the emergency declared by the President. At the end of that time it comes back to what the present law is.

I am frank to say I am puzzled; I cannot understand why it is that Members on this floor who I know are just as loyal to this Government as I ever hope to be, who I know to be just as anxious for the perpetuation of this Government as I ever hope to be, and who I know are just as anxious as I am to prosecute this war successfully—I cannot understand why they persist in resisting a suspension of those things which are daily, and hourly, and weekly, and monthly handicapping the efforts of this Government to save itself in the hour of emergency.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Not at this moment. I am glad that I do not have the poor opinion of the workmen of this Nation that seems to fill the breasts of some of those who take the floor in opposition to measures such as this. I am glad I do not believe as the gentleman from New York—who spoke on his appeal a few moments ago said he believed—that national unity has to be purchased at the price of 8 hours a day and time and a half for overtime to the laboring men of this Nation.

Mr. Chairman, we have already suspended by act of Congress within the past year certain of these provisions insofar as they relate to the Navy, the Coast Guard, and the Maritime Commission. I suppose the Army is now operating in violation of the law; but those suspensions last only until June of this year and unless you adopt this amendment or some other amendment

that will continue the suspension of the 8-hour law, then on the 30th of June of this year you are going to be right back where you were before that legislation was enacted. I do not believe this Congress wants to find itself in that position. I think we have been handicapped enough—God knows—by strikes and stoppages of work for silly reasons, not by the men themselves, but because they were ordered out by some arbitrary labor leader who has the power to say to them that they may work or that they shall not work, just as he dictates to them.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. WHITTINGTON. Is it not true that if this amendment is adopted it will merely prevent the continued operation of statutes that require the payment of time-and-a-half overtime for extra hours and for work on holidays and Sundays?

Mr. SMITH of Virginia. Yes.

Mr. WHITTINGTON. And will not prevent the employer and the employee from agreeing upon any terms they may desire with respect to their demands.

Mr. SMITH of Virginia. It leaves it exactly up to the employee and the employer to determine for themselves by collective bargaining what the wages and hours will be, something many of our friends who claim to be the champions of labor have been contending for for many years. Now, if they will just leave it to collective bargaining—that is the instrument Congress has given them—then the matter of wages and hours will be settled.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. MONRONEY. I would like to ask the distinguished gentleman from Virginia whether his amendment applies to nondefense industries as well as to defense industries; if candy-factory hours can be lengthened under the amendment and if hours in other kindred industries could be extended?

Mr. SMITH of Virginia. Yes; it suspends the law as to all industry.

Mr. MONRONEY. As to everything?

Mr. SMITH of Virginia. Yes.

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Virginia. Not only do these laws limit time but in many instances they absolutely prohibit work in excess of 8 hours a day or work in excess of 40 hours a week. They actually make it unlawful for a man working on a tank or on a ship or on a gun to work longer for his country than 40 hours a week and assess a penalty if he does so. Furthermore, the Reconstruction Finance Corporation Act contains a limitation of 30 hours a week. That was done for a reason: because we were trying to spread work; we had more workers than we had work; now we have more work than we have workers, and the conditions are just

the reverse. There is a provision in the R. F. C. Act which says that all loans made under that act should, as far as practical, be confined to 30 hours a week.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HANCOCK. The gentleman no doubt recalls that a few weeks ago the House passed by suspension a bill introduced by the gentleman from Virginia designed to prevent work stoppages. The Senate refused to act on that bill. Has the gentleman any hope that the Senate will accept this amendment?

Mr. SMITH of Virginia. I can only speak in the language of the poet, "Hope springs eternal in the human breast."

Mr. Chairman, pursuant to permission obtained in the House this morning, I attach to my remarks letters on this subject addressed to me by the National Grange and the American Farm Bureau Federation:

THE NATIONAL GRANGE,
Washington, D. C., February 25, 1942.

Hon. HOWARD W. SMITH,
House Office Building,
Washington, D. C.

DEAR MR. SMITH: The National Grange is in favor of the enactment of your bill, H. R. 6616, suspending the 40-hour week, together with that provision of the Fair Labor Standards Act which provides that workers shall be paid on the basis of time and a half for overtime.

When this legislation was enacted there were millions of unemployed men in the country, and the chief argument used in support of it was that it would spread employment opportunities.

Today we are confronted with a totally different situation, with labor shortages developing in many quarters.

It is universally recognized that our best chance of defeating the aggressor nations lies in utilizing and developing our productive capacity to the utmost. For anyone to contend that the workers of the United States cannot put in more than 40 hours a week without ill effects amounts to the same thing as saying that we do not have what it takes to win the war.

At the time of its enactment, the time-and-a-half rule for overtime was frankly intended to make it so expensive for an industry to operate more than 40 hours a week that it would not be attempted except for short periods and under the most compelling circumstances. Under the changed conditions existing today this rule, which retards our war effort and hamstrings us in other ways, should be suspended for the duration of the war, as provided in your bill. It is, of course, understood that every worker should be paid at regular rates for every hour of service rendered.

The 40-hour week in industry, with time and a half for overtime, is a leading factor in bringing about a farm-labor shortage, which is already assuming critical proportions in various sections of the country. The welfare of the Nation as a whole demands that this question be dealt with realistically, sensibly, and without further delay.

Sincerely yours,

THE NATIONAL GRANGE,
FRED BRECKMAN,
Washington Representative.

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., February 25, 1942.

Hon. HOWARD W. SMITH,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN SMITH: We wish to strongly endorse your amendment to the second war powers bill to suspend for the

period of the war emergency the provisions of existing laws which prescribe the 8-hour day or the 40-hour week and which require an increased rate of compensation for overtime, Sunday, and holiday work.

The conditions which led to the enactment of such legislation are no longer important. Instead of the need to spread the available work, we are confronted now with the grave problem of working fast enough to produce the planes, guns, tanks, and ships needed to win the war. Our objective now must be maximum production per worker and per plant.

We are fighting for our lives and our very existence as a nation of free men. Millions of our boys are responding patriotically to serve their country for \$30 per month. They are risking their lives at all hours of the day and night, including Sundays and holidays, without thought of asking for an 8-hour day or 40-hour week or extra pay for overtime.

Farmers and the great masses of the working people of this country are patriotic and want to do their part and do not desire a price be put on their patriotism. Millions of farmers have already pledged themselves to cooperate with the Government in an all-out effort to produce adequate food and fiber needed for ourselves and our Allies. They are not going to stop work at 8 hours. They will work 10 hours or 12 hours or whatever is necessary to do their part to win the war. The workers who produce the war materials for our fighting forces are now being paid the highest wage rates in history. We believe the great mass of working people would be glad to work whatever hours are necessary without extra rates of compensation as their contribution to produce the necessary materials to win the war.

At a time like this, when we have already appropriated or obligated \$150,000,000,000 for war expenditures, it is unwarranted and indefensible to continue restrictions which saddle unnecessary burdens on the Government to be paid for by all the people.

We therefore strongly urge that Congress adopt your amendment to suspend legislation relative to maximum hours and increased rates of pay for overtime for the duration of the war.

Respectfully yours,

EDWARD A. O'NEAL, President.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia [Mr. SMITH], and I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I am very sorry that the gentleman from Virginia [Mr. SMITH] has undertaken to amend this very important war measure which is so essential to the successful prosecution of the war by offering the very controversial amendment which he has offered. When we were considering an appropriation bill only a few days ago the gentleman offered an amendment, which if adopted, would have for all practical purposes prevented the speedy operation of that great appropriation bill so necessary for our defense. Today we find the gentleman again offering an amendment.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I think the gentleman is rather unfair in his statement.

Mr. McCORMACK. The gentleman from Massachusetts is not unfair in his statement. If the gentleman is going to get into characterizations, that is an entirely different proposition.

Mr. SMITH of Virginia. Well, I do not propose to make a personal attack on the majority leader, but neither do I intend to sit here and let him make a personal attack on me.

Mr. McCORMACK. It is an expression of opinion as to what would have resulted from the amendment which was offered by the gentleman a few days ago.

We are in a war and we do not want to lose our heads. The effect of this amendment is to suspend the efforts of 50 years of legislation which goes back as far as 1892, legislation that both sides of the aisle have fought for, legislation that was passed when the Republican Party was in control of the Congress, the Bacon-Davis Act, for example. This amendment affects the Bacon-Davis Act. It suspends the operation of 17 different laws, the first of which was enacted as far back as 1892, without calm consideration by a committee, without viewing the matter rationally. Of course, I would not say for an instant that the gentleman from Virginia, for whom I have great respect, had any intention of introducing an antilabor amendment, but certainly the effect in the minds of labor all over the country is the same as if the intent existed.

It seems to me that calm judgment should dictate to us that this matter might well be left with the President of the United States, who is charged with the successful conduct of the war. Certainly no man has had more vision during the past 5 years as to the danger confronting this country than has Franklin D. Roosevelt.

The gentleman from Virginia has this year and last year offered his amendment. If this amendment is adopted the condition that exists would only become greater and more aggravated. Certainly if any conditions exist which require some kind of treatment and cure, we do not want to undertake by legislation a method which will only aggravate the situation.

Mr. STARNES of Alabama. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Alabama.

Mr. STARNES of Alabama. The distinguished majority leader does not take the position, does he, that the Congress of the United States by the passage of one certain law relating to one segment of our social order should never be changed, should never be repealed, should never be altered under any or all circumstances, even though our Nation were in travail and war at this hour?

Mr. McCORMACK. Of course, the gentleman understands I would not take that position. The fact is, however, that is not the situation now, as I see it.

This is an amendment which would go back to 1892 and affects 17 acts passed since that time or at different times since 1892. These acts the amendment would suspend for the duration of the war—the operation of that progressive legislation insofar as the workingmen of the country are concerned.

I hope that no one in a few days will undertake to attack the agricultural leaders for their position in putting through a bill that responsible men have said will cost the consumers \$1,000,000,000. I am not attacking those leaders, and I will not. I will defend them in their right, although I disagree with them. If anyone undertakes to attack them in the near future for their leadership, I shall defend them. We have too much idle talk these days about the leadership in labor. But what about the leadership in industry? What about the leadership in agriculture? There are other things involved beside the leadership of labor. There are some that should be criticized, but not all. The great majority are acting constructively and patriotically in this crisis.

In an attempt to cure a disturbing situation, which disturbs me also, but which has been gradually cured through voluntary action since December 7, this amendment is offered, the result of which will only aggravate and bring about sullen resistance, because the effect of this amendment will be construed by organized labor as an attack against labor.

In war there are three important elements necessary for the successful outcome of that war. First, production. You have to have tanks, airplanes, guns, ammunition, food, and clothing, and we look to the men and women of the factories to furnish those things. What do you think their opinion will be if an amendment of this kind is adopted, which will be construed as a reflection upon their patriotism?

Certainly 99 percent of labor, both organized and unorganized, are doing the things that they ought to do in this crisis. Why, before the President of the United States recognizes the danger, before he as our leader has recognized it, should we undertake to punish the 99 percent for what 1 percent or less might be doing? In a democracy that is unwise; it is procedure which is inconsistent with the application of common sense and is dangerous in the situation that confronts our country today.

In an attempt to cure the situation, the gentleman from Virginia, in good faith—I do not attack or impugn his motives—offers an amendment, the result of which will be to aggravate a situation and to place labor in the position of being unpatriotic. I do not think any Member of Congress ought to take that risk.

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that my friend, our majority leader, has manifested impatience with the effort of the gentleman from Virginia to give voice to public opinion. It just is not good sportsmanship, and I wonder if it is good leadership. I have hoped that at some time the gentleman from Massachusetts, our majority leader, would come to a realization of the fact that he is supposed to speak for the majority of this House rather than for somebody else.

He denounces the Smith bill as antilabor legislation. On every occasion when a proposal is offered to do some-

thing which the racketeers in labor might oppose, the gentleman from Massachusetts rushes to the Well for the purpose of defending these people who are responsible for the bad conditions that prevail in this country.

The gentleman from Virginia is not trying to punish labor. He is trying to do something which must be done if we are to successfully prosecute the war in which we are engaged.

We may just as well be honest about this thing. We are already living under a labor government, rapidly headed into a labor dictatorship which, if not checked, will soon run into labor despotism.

Mr. McKEOUGH. Mr. Chairman, I demand that the words be taken down.

Mr. COX. Let us be real, let us be men, let us be Americans rather than the representatives of some organized group.

The CHAIRMAN. The gentleman from Georgia will suspend.

Mr. McKEOUGH. Mr. Chairman, I make the point of order that the gentleman from Georgia has described this Government as a labor government, fast becoming a labor dictatorship, and I demand that his words be taken down.

Mr. COX. And which, if not stopped, will run into a labor despotism.

Mr. McKEOUGH. I demand that his words be taken down, Mr. Chairman.

The CHAIRMAN. The gentleman from Georgia will be seated.

The Clerk will report the words objected to.

The Clerk read as follows:

Mr. Cox. We are already living under a labor government, rapidly headed into a labor dictatorship which, if not checked, will soon run into labor despotism.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (S. 2208) to further expedite the prosecution of the war, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and that he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words taken down.

The Clerk read as follows:

Mr. Cox. We are already living under a labor government, rapidly headed into a labor dictatorship which, if not checked, will soon run into labor despotism.

The SPEAKER. Whatever might be the opinion of anybody who occupies this place, the present occupant would think that it would be going very far, even though words were harsh, if Members were precluded from expressing an opinion with respect to a Government tendency. The Chair sees only in these words the expression of an opinion by the gentleman from Georgia and therefore feels constrained to hold that they are not unparliamentary.

The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further

consideration of the bill S. 2208, with Mr. COOPER in the chair.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. COX. Mr. Chairman, we are at war, and as I said a few days ago, it is everybody's fight. It is not a matter of saving England any longer, it is not a matter of reforming the rest of the world, but it is a matter of saving our own beautiful America. You and I are soldiers just as much and to a large extent in the same sense as the boys who have been gathered up throughout this country and sent to do the fighting, and we ought to behave like people who do have a sense of responsibility and we ought to give them support. It is a shame and a disgrace that something has not already been done to stop and bring to an end the bad behavior in labor which has slowed down the war efforts. It constitutes an ugly indictment of the Congress and of the Government. We ought to do our best to make amends. As I say, we ought to come here and stand up on our own feet and do our own thinking and behave like people who love their country and who are determined to do their part in saving it. That is just what I have to say with regard to the attack, slight as it may have been, that the gentleman from Massachusetts has found it in his heart to make against as sweet and as gentle and as patriotic a man as ever lived, the gentleman from Virginia, my friend, HOWARD SMITH.

[Here the gavel fell.]

Mr. CELLER rose.

The CHAIRMAN. Is the gentleman from New York [Mr. CELLER] seeking recognition?

Mr. CELLER. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. CELLER. Mr. Chairman, it was the famous philosopher, Voltaire, who many years ago said, "I disapprove of what you say, but I will defend to the death your right to say it." We should allow anyone here to express his opinions, however we may hate them. We may not agree with them, but we should allow them to be said. That is the essence of our democracy. We must be tolerant of the opinions we loathe.

Now, I venture the assertion with reference to this so-called Smith amendment, although I have no pipe line of communication to the White House, nevertheless, I caution you in this fashion. If this amendment is adopted this entire bill will be vetoed. Our great President's entire record of achievement here and abroad precludes his acceptance of this amendment. His proclaimed aims and aspirations forbid. His lofty purposes would preclude acceptance. He would have no choice but to veto.

We should do all in our power to get a record vote on this bill so that those of you who vote for the Smith amendment may be, indeed, on a hot spot when they face their constituents; you who have any preponderating numbers of laboring men in your districts beware. I do not like to say this, but it is true. I need not remind you that our votes are

always scrutinized, but in this instance our votes will be watched more closely than ever.

I am willing to trust the President's committee that fashioned and proposed this bill originally, composed of representatives of the Department of Justice, the Office for Emergency Management, and the Bureau of the Budget.

This committee considered the Smith amendment and deemed it advisable, under all considerations and particularly because of the emergency confronting us, not to include the provisions thereof in this omnibus bill. They knew whereof they spoke. They had canvassed the situation. They knew all details of our great war effort. They deemed it more advisable to omit the Smith antilabor provisions.

The Smith amendment would wash away at one fell swoop all the fruits of years of labor to the laboring man. It is most ill-advised to do this and I hope you will not do it.

There have been charges made against labor. Of course, labor is not perfect. There have been stoppages of work and strikes and difficulties in various parts of the country, but the rank and file of the laboring men are patriotic and want to do their duty and are doing their duty. Most defense plants work far more than 40 hours per week; for example, most work 60 and 65 hours per week.

Do not bring an indictment against labor as a whole because of the derelictions of a few renegades in labor's ranks.

Protect labor and it will protect you. These bills that are sought to be wiped away—suspension means wiped away and wiped out—have only been secured for labor's benefit after years of "blood and sweat and tears." Labor, the men who have tunneled the mountains, built the bridges, laid down the railroad ties, dug the subways, welded the steel girders of great buildings—the "hewers of stone, the drawers of water"—the great army fabricating our ships, planes, and tanks—shall they be insulted by this amendment? Insult them you will. Belittle them you will with this provision. This is hardly a reward for their sacrifices, their struggles to build America and to make of it a great industrial Nation.

Pass this amendment and you will not aid the war effort. You will create disturbance, disorder, discord, dissatisfaction. You surely will not create amity, accord, and unity. You browbeat the men who work with the sweat of their brow.

What are these 17 acts that you are going to obliterate so suddenly, without notice, without a hearing—by a sort of drumhead court martial? Does anyone in this room, with the exception, very likely, of the gentleman from Virginia [Mr. SMITH] know what these 17 acts are? Have you read them? I defy any man or woman within the hearing of my voice to tell me what is contained in these 17 bills that you are going to repeal. Just cast your eye over these bills. The mere titles of them indicate to you their high importance. They are specific statutes, emanating from a dozen different departments, covering specific

subjects. They cover almost the entire geography of the world—the entire United States, parts of Europe, the Philippines, and the Caribbean insular possessions, places over which the Maritime Commission has jurisdiction; they cover the War Department and the Navy Department and the Reconstruction Finance Corporation, and so forth. You have had no time to digest properly the provisions of these statutes thus to be destroyed. Don't you think that the amendment should come up under a separate bill to be voted up or down, as your conscience dictates, and not in this offhand manner. The amendment impugns the patriotism and loyalty of labor. Why take this potshot at labor? We did not do this against the employers or against the men of agriculture. No, but some seek to have us do it against labor. I am not going to do it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WHITTINGTON. Mr. Chairman, defense is lagging, tanks are not being produced, planes are not coming off of the assembly line. MacArthur is begging for just a few bombers. We can lose this war. Last week, Donald Nelson said that he would like to have all defense plants work on Washington's Birthday. He did not have the legal power to enforce that request, and he could not make it a command. There were statutes in the way. We do not want any 8-hour-a-day soldiers, and we do not need any 8-hour workers to provide for any 8-hour soldiers. We do not want any sunshine soldiers, and we do not want any fair-weather workers. There is nothing new about this proposed amendment. It has been said that it provides for the suspension of 17 statutes. Suppose it does? Most of them are statutes that relate to national-defense production. One of them applies to Federal employees. Why should it not apply, if they are to apply, in the factory? What about the workers who are not engaged in defense plants? The patriotic worker would be willing to work longer than 8 hours a day or 40 hours a week if he could thereby release more workers for our defense plants. Let us give the workers a chance. The gentleman from Massachusetts [Mr. McCORMACK], the distinguished majority leader, said that labor had been voluntarily cooperative. The purpose of this amendment is to enable labor voluntarily to cooperate. This amendment merely repeals the statutes that restrict hours to 8 a day and work to 40 hours a week. It does not prevent the bargaining over time and a half for overtime. It contemplates collective bargaining. It is fair to the employer and the employee.

Is there anything new about the amendment? This is a bill to provide for expediting the prosecution of the war. One of the first of the 1940 war bills provided that the President be authorized to suspend in the Navy Department and the War Department the 8-hour-a-day provision. Is this the proper place for legislation to provide for additional hours to expedite the program? Shortly after the fall of France one of the first war-power bills passed, one of the first

things we did in our effort to provide for national defense, was to give the President power to suspend the 8-hour day in the War and Navy Departments by the act of June 28, 1940 (Public, No. 671, 76th Cong.).

Again, Mr. Chairman, it is said by my good friend, the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], that this amendment will, during the duration of the emergency, suspend labor laws passed in 1892. One of the first laws suspended in the pending bill is not a law passed in 1892, but it is law that has come down to us from the days of Runnymede. Under that statute my home, my castle, your home, your land, can be taken immediately without concluding condemnation proceedings. I respectfully submit that if it is necessary to change a statutory provision that has come down to us, not from 1892 but from the days of Washington, from the days of Runnymede, in order to prepare for the defense of our country to prosecute the war, we can afford, during the emergency, to suspend the statutes that will provide for our laborers to arm and clothe our boys who are in the camps, on the seven seas, on the battlefields, and in the air fighting for liberty and freedom. If men are to die for their country, they must work for their country. It is time for action and for work and sacrifice. The fate of the Republic is at stake.

In extending, I emphasize, as stated, that one of the first general war-power bills passed after the fall of France was the act of June 28, 1940. It authorized the President to suspend the provisions of the law prohibiting more than 8 hours labor in 1 day of persons engaged in work covered by the Army, Navy, and Coast Guard contracts. This suspension terminates on June 30, 1942, unless Congress otherwise provides.

The act of March 2, 1941, provides for the suspension of the 8-hour day and the 40-hour week by the Maritime Commission until June 30, 1942.

We need munitions and we need ships. If the hours and weeks of labor were properly suspended in these two acts until June 30, they should be suspended as provided by the pending amendment.

The pending amendment was introduced as a bill, H. R. 6616. It was referred to the Committee on the Judiciary. The amendment and the bill provide that during the national emergency, declared to exist by the President on May 17, 1941, the provisions of all laws prohibiting more than 8 hours labor in one day, the provisions of all laws prohibiting more than 40 hours of work per week, the provisions of all laws requiring pay for excess hours at not less than one and a half times, and for pay at not less than one and a half times for Sundays or holidays shall be suspended. Under the terms of the bill the amendment would remain in force only until December 31, 1944, or until such earlier time as the Congress by concurrent resolution or the President may designate.

Men are being drafted to die for their country. The property of citizens is be-

ing taken for the defense of the country and for the prosecution of the war. Taxes have been levied and many citizens are paying taxes that are burdensome. These taxes will be increased. In the high brackets 85 and 90 percent of every dollar of income is being paid as taxes. In the high brackets three-fourths of all the estate left is being taken by the Government. All are sacrificing. The gallant MacArthur and his brave men are fighting not 8 hours but 24 hours a day. The purpose of the bill is to increase production.

We might as well admit that blunders were made and that there was an unjustified lag in the defense program in 1941. Many of the advisers of the administration seem to think that the appropriation of billions of dollars will win the war. Money is essential, but production and leadership are more essential.

We cannot do business as usual and win the war. In 1941 the automobile industry did business as usual; in fact, they did more business than usual. They brought out new models and they increased production by one-third. Their plants were not converted. The Government invested billions of dollars to build new plants. These plants will have to be tooled. Automobile plants are now being converted. There is a lack of skilled workers. It has been proposed that the skilled workers in the automobile area be paid to do nothing for 6 months while the automobile plants are being tooled for defense production. Meantime there is a lack of skilled workers in the plants that the Government has constructed. The wise thing to do is to transport the skilled workers to the plants where they are needed. If the Government can transport soldiers from camp to battlefield, from one country to another, the Government can transport workers from one area to another. Men leave their homes to die; they can leave their homes to work.

America should awake. We have gone from one defeat to another. I am being realistic. I believe that America will win the war, but we know that America can lose the war. It is going to take more hours and it is going to take more workers to produce airplanes, tanks, and guns. We must about face. I want to be constructive in my criticism. I know it is easy to find fault. I want to remove the faults. I want to eliminate the bottlenecks. The labor problem is one of the bottlenecks. It was wisely said a long time ago when a wise man has a stomach ache he tries to get rid of the ache and not the stomach.

There is a lag and there is delay. Strikes and labor difficulties are largely responsible. William Leiserson, of the National Labor Relations Board, said recently, and I quote:

Some agreement will have to be made on what the attitude of the Government shall be on the closed shop, or else Congress will have to fix the policy.

The House has acted. We passed the so-called Smith bill in December. It is in the Senate. If the Commander in Chief would say the word, I believe the

Senate would report and pass the bill. If it is imperfect, it should be perfected. It is time for the President to take a definite stand; it is time for Congress to take a definite stand.

The pending bill has 16 titles. They are giving to the Government emergency powers; they involve the surrender of rights and privileges that citizens have enjoyed, in many cases, from the foundation of the Government.

There is nothing so essential to war production as labor. No rights are being surrendered; no laws are being repealed. The laws are merely suspended during the greatest emergency that ever confronted our country.

I have already noted some of the objections to the pending amendment. It is said that labor is cooperating voluntarily. The 8-hour day and the 40-hour week were laws passed by Congress. If Congress can pass laws for the benefit of labor, Congress can pass laws to govern and control labor. Laws that are applicable in peacetimes are not applicable in war; hence the pending bill provides for the surrender of many rights and privileges of citizens.

I shall not argue that much time has been lost by strikes. We speak of the morale of the Army. There must be the morale of the country. The citizen is losing morale when he feels that there are unjustified strikes in defense plants and in defense industries. The citizen loses morale when Donald Nelson, charged with production, calls upon the navy yards and defense plants to work on Washington's Birthday and calls in vain. There is a statute that requires the payment of overtime and a half for working on holidays and at nights. Donald Nelson is thus impeded in doing the job. Donald Nelson knows that every hour counts, every week counts. It means fewer lives lost. The purpose of the bill is to enable work to be done on holidays. It does not prevent the payment of time and a half for overtime. One statute requires 30 hours, another statute may require other hours. There are many statutes. All provisions are suspended in the pending bill in the interest of national defense.

It is said that the pending bill not only provides for suspension in defense plants but for suspension in private industry. What of it? Why should not Federal employees be required to work Saturday afternoons during the emergency? Why should laborers on the farm and in the factory not have the privilege of working longer than 8 hours a day and 40 hours a week? They could produce more food and more clothing; they could feed and clothe the soldiers better; they could do work that would provide for the release of other workers needed in national-defense industries. Why make flesh of one and fowl of the other? Workers in nondefense plants are just as patriotic as workers in defense plants. I glanced through the 17 acts. Three-fourths of them relate to national defense. We fought every war in which we have been engaged without a wages and hours act. If the pending amendment should be

perfected to eliminate any nondefense work, an amendment would be in order to that effect. The amendment should not be defeated.

It is said that labor is patriotic. My sympathies are with labor; it is said that the labor organizations are buying millions of dollars in defense bonds; they are to be commended. Many war profiteers justify their corrupt practice by saying they are investing their profits in war bonds. The widow is investing her savings in war bonds. The rich and the poor are asked to make their investments. Workers want to work longer so that individually they can invest in war savings bonds. The pending bill will enable workers to work more hours and to make more money to buy more bonds. It will free them from the domination of selfish and ambitious labor leaders who are apparently more interested in their place and their power than they are in the defense of their country.

It is time for Congress to act. The House has acted; it is time for the Senate to act again. Labor is essential to the winning of the war; it must not be shackled. The pending bill will free labor. We must work or we will be enslaved. For my part I would rather die on my feet than cringe on my knees. America should awake. We must conquer; we must unite. All must do their part.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. Mr. McKEOUGH. Mr. Chairman, I rise in opposition to the amendment.

I ask unanimous consent, Mr. Chairman, to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McKEOUGH. Mr. Chairman, I would like, with your indulgence, to call attention to the fact that when this amendment was being considered as to its germaneness, the Chair ruled, and, I submit, properly, that it was germane on the basis that it was introduced in keeping with the title of the bill that is now being considered. The title of that bill is "To further expedite prosecution of the war." The amendment that is now being considered is contained in the bill H. R. 6616, a bill to amend an act entitled "An act to expedite prosecution of the war effort," approved December 18, 1941.

Before I proceed to discuss my objection to this particular amendment, I would like, in passing, although I do not think he needs any defense, to call attention to the fact that the distinguished majority leader of my party does not rush to the well of the House to defend labor racketeers whenever any labor legislation is before the House, as recently charged. I do not believe the distinguished majority leader of my party needs any defense as to his conduct as a Member of this body. I think he was well within his province and right as a Member of the House to express his views on the legislation that is now before us.

I have profound respect for his judgment and equally high regard for his qualities as a leader.

Now, if this is a bill to expedite the war, let us be a little realistic. If this amendment is adopted all legislation with relation to control of wages and hours, Sunday and night work provided in the statutes referred to, some 17 of them, are immediately canceled. Offhand, I do not know how many millions of workers in America are subject to the benefits of the legislation that is affected. I trust you will not feel I am trespassing too much on your indulgence when I repeat what I have frequently said. I do not believe there is a member of this body who is any better American than 99.99 percent of those who toil in this country. Who are those who will defend our country in the air, on the sea and below it, and on the land? It is the stalwart sons and daughters of those who toil, whether they be in the factory, mill, or mine, or on the farms. Who will defend and are now defending our country? They are all toilers. They are all Americans. They are all patriots. While I in no way impugn the motives of the gentleman from Virginia [Mr. SMITH], I do, however, feel that it might be worthy of some attention in passing to recall that I am sure he yields to none in this House in the perseverance and persistence with which he attempts to make more difficult the benefits that this Congress and previous Congresses have enacted into law for the benefit of those who work for a living.

I want to pay him the high compliment of being No. 1 in the direction of making sure that those who toil are not continued in the benefits that the Government of my country and his, after full and deliberate study, has enacted into law for them.

In the perseverance with which he exercises himself in that direction he apparently has overlooked another law that has a basic 8-hour day, a law passed in 1916, before this country was involved in World War No. 1. I refer to the Adamson 8-hour law that covers employees in the train and engine service of the steam railroads of this country.

I am surprised that the distinguished gentleman from Virginia [Mr. SMITH] has apparently overlooked several hundred thousand Americans who are involved in the benefits of that law. May I remind him and this House that it was enacted in 1916—not 1917 after April when we were belligerents, but before this country was involved in the war. I am reliably informed, and I think correctly so, that the basic 8-hour day was established by Executive order of the World War President at that time, Woodrow Wilson, for the factories and mills and mines of this country.

You will recall the gentleman from Nebraska [Mr. McLAUGHLIN] stated that the gentleman from Virginia [Mr. SMITH] came to his subcommittee after the hearings were closed and asked to be heard on this amendment to the 17 laws that he now seeks to suspend. The gentleman from Nebraska stated that he was heard, but, strangely, he was unable to testify for the benefit of the Members of this House that those who might have opposed the inclusion of such amendments in this act were never notified and were, therefore, denied any hear-

ings before Subcommittee No. 4 of the Committee on the Judiciary of this House.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. McKEOUGH. Yes; I yield.

Mr. McLAUGHLIN. In order that the record may be straight—

Mr. McKEOUGH. I want it straight.

Mr. McLAUGHLIN. I believe the record will show that I said that the gentleman from Virginia [Mr. SMITH] came before the committee and presented no amendments and the hearings had been concluded. I would not characterize the presence of the gentleman from Virginia [Mr. SMITH] before the subcommittee of the Judiciary Committee as a hearing before the subcommittee. We listened to the gentleman from Virginia [Mr. SMITH] when he said he had in mind some amendments, but he did not present the amendments, and I would not say that he had a hearing or that a hearing was accorded him or that those in opposition to such amendments as he may have had in mind were not accorded any rights which they should have been accorded.

Mr. McKEOUGH. I thank the gentleman and I hope that my original statement will in no way be interpreted as an indictment of the gentleman from Nebraska.

Mr. MARTIN J. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. McKEOUGH. Briefly.

Mr. MARTIN J. KENNEDY. If the gentleman will examine the hearings printed by the Judiciary Committee, he will find there a statement of the gentleman from Virginia [Mr. SMITH], which might give the impression that he was heard and had something to say.

Mr. McKEOUGH. I will accept the word of the gentleman from Nebraska; and now in passing let me point out something I think ought to be given some consideration.

We hear much about strikes and loss of man-hours and man-days in defense-production plants. Has anybody come to the Well and asked as to the total number of man-days that were lost as the result of the delayed conversion of the automotive industry from peacetime to war production? Have we all forgotten that the President of the United States has urged the Congress to allocate some \$300,000,000 to care for the several hundred thousand people who are now out of work in Detroit and other automobile areas of this country while the automobile industry is being converted to war production? Where is the gentleman from Virginia and the great exercise of his influence in the production program for defense when attention is directed to that sort of proposal?

I submit, Mr. Chairman, that if this amendment is adopted the purpose of the bill as described in the title: An act to expedite the prosecution of the war efforts will be completely defeated. Those who labor, whether organized or otherwise, I submit are Americans. I submit, too, their sons and daughters will win this war, not I or the gentleman from Virginia. I hope this amendment will be defeated in order that our country may

be the country in the future that you and I were privileged to have lived in during our lifetime. I plead with you to defeat this amendment. Let us go forward as real Americans and whip the enemy by defeating this proposal.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, in the time I have been here I have never witnessed such procedure employed for the consideration of such sweeping and far-reaching legislation. The amendment under consideration suspends the wages-and-hours provisions of 17 different statutes for the duration of the war. Among the many statutes affected is one enacted in 1892, providing for an 8-hour day for laborers and mechanics in the Government service. It suspends the Bacon-Davis Act, which was passed under Republican aegis, a bill sponsored by Senator Davis in the Upper Chamber and the late Robert Bacon, who served with many of us in the House. That act has been on the books since March of 1931. It will also suspend the wages-and-hours provisions of the Walsh-Healey Act and the Wages and Hours Act, and in fact every law that has ever been enacted by Congress for the benefit of the workers of the country.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. I yield.

Mr. MARCANTONIO. I take it, it is very significant that the very people who are seeking to suspend contemporary labor legislation, under the guise of war necessity, opposed that very labor legislation when it was enacted during peacetimes.

Mr. HEALEY. I thank the gentleman for his contribution. Now, there is a point I wish to make. There is not anything, so far as I know, in any of this legislation that prevents men from being employed for more than 40 hours. Under the provisions of the Wages and Hours Act, the Walsh-Healey Act, and the Bacon-Davis Act, and all of the principal labor acts, men may be employed for 50 or 60 hours a week, providing that time and a half is paid for all hours in excess of 40.

Mr. Chairman, let us think this thing through, let us not take hasty and ill-advised action on such an extensive and far-reaching proposition. The efforts of organized labor for 50 years to promote humane and progressive legislation is at stake here today. The forward, progressive and social advancement of half a century may be swept away after a few hours debate here this afternoon on a measure of such tremendous concern to the millions of toilers and their families. There is an orderly way to consider legislation, and that is its introduction and reference to proper committees, proceeding through the channels provided by the parliamentary system that obtains in this body. A most extraordinary method has been pursued to obtain consideration of this measure as an amendment to the pending bill.

The able and distinguished occupant of the Chair had very little precedent to guide him in making the ruling that the amendment was germane. I am convinced his ruling was sound, but his decision had to rest on a pretty broad construction.

The bill is entitled, "An act to further expedite the prosecution of the war," and the Smith amendment is presumably offered for that purpose. I fear however, that if it is passed the result may be detrimental to the production effort of the workers affected.

I submit that on the record the loyalty and patriotism of the workers cannot be successfully assailed. To summarily tear down the efforts of a half a century by the enactment of such legislation is shabby treatment indeed for labor.

This bill ought to be submitted to the serious consideration and deliberation of the appropriate committees of this House rather than be subjected to the hasty and ill-considered action that this method entails. I trust the amendment will be defeated.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New York [Mr. BALDWIN] is recognized for 5 minutes.

Mr. BALDWIN. Mr. Chairman, I have spoken against this kind of amendment before, but I want to add briefly my several reasons for opposing it this afternoon. In the first place, may I preface my remarks by stating that I do not think there is anyone in this House whose motives can be questioned, and certainly it is not my intention to question the motives of any Member.

My principal reason for opposing an amendment of this kind is because I am convinced that psychologically it will not help the purpose of this bill. You cannot legislate enthusiasm, you and I cannot even legislate love of that flag if it does not stand for anything. What we want now is the cooperation of labor in its enthusiasm for the prosecution of this war, and that is what we have got to have. It is my own conviction that we are slowly and effectively getting it.

The President in his speech the other night stated that our production was on schedule; that in spite of the doubts of our enemies, we would have the planes, the tanks, the guns, the ships, and the ammunition that he announced we would have. I am prepared to take his word for that.

It must not be forgotten that this legislation does not stop strikes. We gave the President the power to stop strikes, and he has used it on several occasions. It is not a question of strikes or antistrikes here. We must remember also that we can give the President power to suspend such legislation as may be necessary when and if he deems it necessary and if we have not already given it to him.

It stands to reason that if we pass this legislation today the great mass of the working people are going to assume that the Congress is opposed to the progressive legislation that Congress itself has passed during the last 50 years. Personally I do

not want to have any part of it, and I think it would be a terrible mistake in the prosecution of our war efforts to pass such legislation at this time.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If the Congress of the United States can pass legislation to promote labor, why cannot that same Congress pass legislation to control labor and to prepare for the defense of our country by suspending temporarily during emergencies certain provisions of law?

Mr. BALDWIN. The Congress can do anything it pleases, but when it passed legislation to promote labor, it was passed in proper, orderly fashion, and if we are going to pass legislation to suspend labor laws, then we should use the same method today. Nobody has had a chance to talk about this. This is all important, and, Mr. Chairman, we should not forget two things. In the first place, there are millions of workers who are not in defense industries who will be affected by the very statement of the gentleman from Virginia himself.

Mr. RUSSELL. Will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Texas.

Mr. RUSSELL. Does the gentleman know of a single one of them who is objecting to any hours of work?

Mr. BALDWIN. I do not know of any labor organization that is objecting to any hours. It has been stated here that under existing law they can work just as many hours as they want to work or as the Government or anybody else wants to have them work.

Mr. WHITTINGTON. Does the gentleman imply by his statement that if that bill were brought up separately and on another day he would vote for it?

Mr. BALDWIN. No. But may I say that I am sympathetic toward many of the purposes intended by the amendment offered by the gentleman from Virginia [Mr. SMITH] if properly brought up, and the President is given discretionary power to suspend laws, where necessary, and to handle the situation as it arises, instead of engaging in a blanket suspension. I would be much more sympathetic toward such a suggestion.

In the first instance I submit that we have to consider two things, first, the workers who are not in defense activities, and most important of all, and I know what I am talking about because I served as a private in the last war, there are thousands and thousands of young Americans who are relying on their families to continue to live as they want them to live and who cannot support their families on \$21 a month. Thousands and thousands of these young Americans today hope that progress is maintained so far as labor is concerned because the bulk of the men in the armed forces will go back to labor.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Does the gentleman think that the maintenance of some of the special privileges accorded labor is helping the morale of the \$21-a-month soldier?

Mr. BALDWIN. I so happen to think that way, because his family is involved, and his future stake in labor is involved. He would resent any abrogation of the progress that has been made on his behalf.

Mr. Chairman, I very strongly oppose the amendment offered by the gentleman from Virginia. Politics has been mentioned. May I say there are no labor votes I know of in my district.

[Here the gavel fell.]

The CHAIRMAN. The gentlewoman from New Jersey [Mrs. NORTON] is recognized for 5 minutes.

Mrs. NORTON. Mr. Chairman, I rise in opposition to this amendment. May I say that it seems to me extraordinary the way our blood pressures rise just as soon as the question of labor is brought to the floor of this House. In my opinion, the majority of people want to be fair to labor, and I believe also that the majority of the Members of this House, speaking for both sides of the aisle, want to be fair to labor. Because of that, I venture to say that the pending amendment will be defeated. I certainly hope it will be.

I do not know whether the Members have made very much of a study of this bill, H. R. 6616, but certainly it is a bill important enough to come to the House and stand on its own feet. It should not be offered as an amendment to a bill as important as the one before the Committee today. Apparently the author of this amendment does not seem to realize that the President has appointed a War Labor Board. Certainly that War Labor Board should be able to deal with the questions involved in this controversy. If the present War Labor Board is not, then another one probably will be appointed. My point is that we have no way of knowing, when an amendment of this kind is offered to an important bill such as this, whether or not the amendment is good. My opinion is the amendment is unjust, unfair, and altogether bad. Its object is to destroy all labor legislation, using the war emergency as an excuse to do what otherwise would not be possible—all in the name of national defense. Mr. Chairman, we are in a grave crisis and the working men and women of the country are doing a great job. There may be a few troublemakers, but why punish millions of faithful, courageous workers for the sins of a small minority?

Is it not true that because of the sacrifices and patriotism of the workers all industries are daily reporting deliveries of needed supplies far ahead of schedule?

I am thinking of the millions of men working in the foundries and the factories of the country today, giving their all, toiling and sweating for the defense of their country, supplying the implements of war that are so necessary to our boys

in the Army and the Navy. What kind of a feeling are they going to have when they are told that the Congress of the United States does not believe in their patriotism, does not believe in their desire to help their country?

I say to you that when that word goes out to the millions of people working in this country it is going to be pretty bad for the war effort we are trying to make. You cannot legislate patriotism, you cannot legislate enthusiasm. Both are necessary to win the war. You will find these qualities in the men and women who constitute labor. They will never let their country down.

While we are waging a war for democracy, the author and supporters of this amendment are waging a war in support of industrial slavery, for that is exactly what this means. It just cannot be done, and you know it. If free men are deprived of their rights, what kind of work will they produce? It would be just the difference between enthusiasm and complete discouragement.

When men work with their hearts as well as with their heads and their hands, we may count on victory. For God's sake, do not kill the spirit of the average American workingman. It means more than all the other considerations in our war effort.

In simple language, this amendment would destroy practically every present labor law. Even England, after 2 years of fighting, has not attempted to do that. Kill this amendment for all time and let the War Labor Board decide on labor policy. It is their job, and they are in a better position to do the job than we are.

Let the American working men and women know that at least we in the Congress have confidence in their patriotism and ability and also in their endurance, and that we are not a lot of Shylocks demanding our pound of flesh.

Mr. Chairman, is there anything wrong with paying a man overtime after he has worked 8 hours? I say to you that this bill eliminates overtime compensation and the limit on the number of hours a man may be compelled to work. Do you think men can do their best work under such compulsion? How dare we do anything like that to the working men and women of this country?

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, the so-called amendment under consideration is a bill, H. R. 6616, introduced by the gentleman from Virginia. It was referred to the Committee on the Judiciary and has not been considered by that committee. I doubt very much if a half dozen Members of this House ever read the bill which is offered in the form of an amendment to the pending measure.

It repeals in one fell swoop 17 labor laws including the Fair Labor Standards Act—wage-and-hour law—of 1938. This act is regarded by every fair-minded person in the country as one of the most humanitarian measures ever enacted into law. Before its enactment thousands of

women engaged in textile and other like industries were receiving as low as \$5 and \$6 a week and in many cases working 9 and 10 hours a day. Over 45,000 of them resided between the District of Columbia and the Hudson River.

Before the enactment of this law an owner of a textile industry in the State of Georgia paid his employees such a miserly wage that they had to receive contributions from local relief agencies. This is a matter of record. In the State of Mississippi the textile workers received from \$2.50 to \$7.50 a week.

Before the enactment of this law many unscrupulous employers of labor, who paid miserably low wages and as a result resorted to cutthroat competition, actually forced honest and conscientious employers of labor, who believe in the just policy of live and let live, to the alternative of meeting their terms or going out of business. These employers with high ideals craved this act, and I am positively sure are unalterably opposed to its repeal, as provided for in the so-called Smith amendment.

The repeal of the Fair Labor Standards Act would deprive hundreds of thousands of the lowest-paid workers in the country of the just gains granted under this act. The exploitation of 200,000 home workers is one of blackest spots in the economic life of America. This was eradicated by the wage-and-hour law which the gentleman from Virginia would repeal. It has only been through honest and rigid enforcement of the law that its beneficiaries were protected from those who would continue to exploit them.

Mr. Chairman, the bill under consideration, S. 2208, makes a grant of power to the President of the United States far beyond anything ever anticipated under our democratic form of government. Reference was made to this fact by the distinguished but conservative gentleman from Michigan [Mr. MICHENER], who stated in part:

But today we find ourselves in the war. It does not make any difference how we got in; it does not make any difference whose war it was or is; it is our war now. It is our fight. We must yield to the administration any power necessary to win.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. SUMNERS of Texas. Reserving the right to object, Mr. Chairman, I shall not object to this request, but I believe we cannot adopt the policy of agreeing to extensions of time beyond the 5 minutes allowed under the rule.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Chairman, to whom are we to look for guidance? Is it the President of the United States, who said in his speech of February 23, and I quote:

In every part of the country, experts in production and the men and women at work in plants are giving loyal service—

or is it to the gentleman from Virginia [Mr. SMITH] who would repeal nearly every humanitarian law on the statute books?

Mr. SUMNERS of Texas. Mr. Chairman, I should like to see if we can make an agreement with reference to a limitation of debate.

Mr. MARTIN of Massachusetts. If the gentleman will yield, there are a number of Members who are not here tonight who might like to speak on this amendment. I wonder if we could not fix the time tomorrow instead of tonight.

Mr. SUMNERS of Texas. In view of the number of Members who wish to speak on this amendment, perhaps I should change my request and ask that those Members rise who do not want to speak.

The CHAIRMAN. Does the gentleman from Texas desire to submit a unanimous-consent request?

Mr. SUMNERS of Texas. No, Mr. Chairman.

Mr. GOSSETT. Mr. Chairman, I rise in support of the amendment, and I am here to contend that this is a pro-labor and not an anti-labor amendment. I submit that 95 percent of the laboring people of this country, as has been alleged, are 100 percent American, wholly patriotic, and greatly concerned with the success of the war effort. It is the 95 percent who need protection from the 5 percent.

Within the last several days I have had a half dozen letters from people in my district whose sons are in the Philippine Islands. These mothers and fathers of boys fighting on the far-flung battlefields in defense of America express righteous indignation at anything that slows down or stops defense production in any way.

Now, let me give you a specific example of what this bill will do for labor. War Production Director Donald Nelson last week requested that no stoppage occur in celebration of George Washington's Birthday. On Monday, February 23, some 100,000 workers on the west coast wanted to work. Under the law it was provided they must receive double time for working on a holiday, and the employer said, "We cannot afford double time"; both were within their legal, if not moral, rights; so they did not work. Under existing laws no adjustment of this difference could be made. The War Labor Board has no authority to suspend existing laws. The Smith amendment does not repeal any law. It simply suspends for the duration such laws as may interfere with the war effort. Today more than ever before this is a war of production, and I submit that anybody, saint or sinner, rich or poor, farmer, laborer, industrialist, Government official or employee, or anybody else who stops or interferes with production is an enemy of this Republic.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. POAGE. Is it not a fact that under the present laws a man who has a plant capable of turning out material needed by the Government, cannot run

that plant 24 hours a day even though the employees may be willing to work three shifts, because the 40-hour week and the 8 hours a day laws will keep them from operating 24 hours a day with three shifts.

Mr. GOSSETT. I believe that is true. I have here the Washington Post for Wednesday, February 25. On the front page appears this head:

Phil Murray's boys: 5,000 refuse to work 10-hour day in West.

In a parallel column appears this head:

MacArthur's boys: Troops willing to buy own bomber in Bataan.

In the text of the article is the following report:

Five thousand Congress of Industrial Organizations workers walked off the job at the Bethlehem Steel Co. yards at San Pedro, Calif., at the end of 8 hours and said they would refuse to work a 10-hour shift on the \$81,000,000 worth of Navy destroyers being built by the company.

The boys in the fox holes of Bataan Peninsula and in the caves of Corregidor have no 8-hour per day limitations on shedding blood for this country, nor do they get time and one-half for overtime and double time for Sundays and holidays.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. WRIGHT. The gentleman spoke about those men who he says walked out of a plant on the west coast as being "Phil Murray's boys."

Mr. GOSSETT. I did not say that.

Mr. WRIGHT. In fairness to Mr. Murray, does not the gentleman think he ought to follow that by the statement that he directed them to walk out?

Mr. GOSSETT. No; I did not mention Phil Murray in connection with the west coast holiday stoppage. I said they could not agree on the pay because the law said double time for holidays and they could not get together; but if we would suspend those regulations they could agree and would not walk out on such occasions. I am sorry I have not the time to yield further.

In another part of the paper there is an article referring to a strike in an aluminum manufacturing plant in Cleveland, Ohio. Listen to this—here is what the Washington Post reports on the man who called the strike:

Alex Blaint, who was reported by the Associated Press yesterday as having led Congress of Industrial Organizations workers out of the Monarch Aluminum Manufacturing Co. plant at Cleveland, figured last year in hearings before the Dies committee investigating un-American activities.

On June 10 he was pictured before the committee as a Communist, an alien, and a former convict. He denied testimony of two witnesses who said he had told them he was a Communist, but admitted he was a Hungarian whose final citizenship papers had been held up, and that he had served 11 months in a reformatory on a charge of automobile theft.

An alien and an admitted ex-convict stops production on vital airplane parts. That is an insult to patriotic labor

throughout America. Speaking further of this strike is the following news report:

D. R. Gould, Monarch's secretary, declared the company is dealing with the Independent Aluminum Workers Organization, Inc., because this group was voted bargaining agent last September.

"The present curtailment is holding up important aircraft parts," Gould added. "We are getting pleas daily from Glenn L. Martin and other aircraft manufacturers for speedier delivery."

I submit to you it is high time that we have a definite labor policy in this country.

Both industry and labor are entitled to know what to expect from government, and the people of America are entitled to know what to expect from government, industry, and labor.

No one should be permitted to profiteer out of this crisis. Equal sacrifices must be required of all. This proposed amendment does not meet with my entire approval. It is a vast improvement, however, over our present policy of leaving matters up to the conscience of so-called leaders of industry and labor. Anything less than the best efforts of all Americans at this time is criminal.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, if the last two and a half years of war has demonstrated anything, it has demonstrated that you cannot conduct a war with business as usual. The opposition to this amendment apparently takes the position that, irrespective of what happens in any other segment of our economic life, we still have to have business as usual as far as labor is concerned.

There have been a great many extravagant statements made this afternoon as to the effect of this bill, some rather hysterical statements, it seems to me. All that this bill does is to suspend for the period of the emergency—for the period while this Nation is fighting for its life—those provisions of law which provide that a working day shall consist of a limited number of hours and that employers whose employees work more than those hours shall be penalized by being compelled to pay a higher rate of wages for such overtime work.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not right now. I am sorry.

Something has been said this afternoon about the effect that the passage of this bill might have on the morale of the working people of this country.

I would like to have you consider what the effect of our failure to pass this amendment will have upon the morale of the great mass of the citizens of this country who are working more than 8 hours a day, more than 40 hours a week, what effect it would have upon our men in the service in the Philippines, in Java, in Iceland, and in every part of the world, who are working unlimited hours for \$21 a month. This is not a backward step, as far as labor legislation is concerned. We do not repeal any legislation. We suspend it for the period of the emer-

gency, during a time when every citizen of the country is making many sacrifices, and is going to be called upon to make many more. I cannot believe that the morale of the working people of this country is going to be impaired. I have too much confidence in their morale. I know they want to carry their part of the burden. They are not putting any price on their patriotism. They want to produce, they want to work, they want to contribute anything they can, because they are just as much interested in what happens during this period of emergency as anyone else. It is their country, it is their boys who are fighting all over the world, and they are interested in any measure which will help us to achieve victory.

I say that those who are urging the adoption of this amendment are paying a greater tribute to the workingmen of this country than those who by their actions suggest that working people are not patriotic and will not work unless we continue legislation which is all right in peacetime, but is not applicable to a period such as we are in at the present time.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Yes.

Mr. WHITTINGTON. Is it not true that practically every title in this bill involves the suspension of rights that the citizens have exercised under statutes since the Government was established?

Mr. HOPE. Certainly that is right; and this is only one of many bills that we have passed since the emergency began to suspend the rights of the citizens of this country so that we may go ahead and carry on this war to a victorious conclusion.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I move the Committee do now rise. The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2208 and had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and insert a statement by former Speaker Clark of the House.

The SPEAKER. Is there objection? There was no objection.

PAY AND ALLOWANCES, ARMY AND NAVY, ETC., DURING ABSENCE FROM POST OF DUTY

Mr. VINSON of Georgia. Mr. Speaker, I submit a conference report and statement upon the bill (H. R. 6446) to provide for continuing payment of pay and allowances of personnel of the Army, Navy, Marine Corps, and Coast Guard, including the retired and reserve components thereof, and civilian employees of the War and Navy Departments, during periods of absence from post of duty, and for other purposes, for printing, under the rule.

EXTENSION OF REMARKS

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter, together with a resolution from Mr. Murray, president of the Congress of Industrial Organizations.

The SPEAKER. Is there objection? There was no objection.

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a resolution by Southern Colorado Tire Dealers Association.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a letter from a constituent.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a radio address by former State Senator of Maryland, Mr. E. Milton Altfield.

The SPEAKER. Is there objection? There was no objection.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from the Soldiers and Sailors' Home in the city of Washington.

The SPEAKER. Is there objection? There was no objection.

Mr. JONES. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection? There was no objection.

Mr. JONES. Mr. Speaker, to provide for an immediate report to Congress by the Federal Bureau of Investigation with respect to investigations heretofore made by it of certain employees of the Federal Government, I have offered the following bill:

Be it enacted, etc., That within 3 days after the date of the enactment of this act, and on the first of each month thereafter, the Federal Bureau of Investigation, pursuant to the last paragraph under the heading "Federal Bureau of Investigation" of the Department of Justice Appropriation Act, 1942, shall report to Congress upon all investigations, and its findings thereon, heretofore made of the employees of the departments, agencies, and independent establishments of the Federal Government who are members of subversive organizations or advocate the overthrow of the Federal Government.

The background of this bill is an amendment offered by me and adopted on the floor of the House with only one dissenting vote, as near as I can recall. This amendment to the 1942 Department of Justice supply bill follows:

of which \$100,000 shall be available exclusively to investigate the employees of every department, agency, and independent establishment of the Federal Government who are members of subversive organizations or advocate the overthrow of the Federal Government, and report its findings to Congress.

The conference committee of the House and the Senate added two words so that the amendment as finally adopted read as follows:

of which at least \$100,000 shall be available exclusively to investigate the employees of every department, agency, and independent establishment of the Federal Government who are members of subversive organizations or advocate the overthrow of the Federal Government, and report its findings to Congress.

This language is a positive mandate to the Federal Bureau of Investigation to investigate beginning July 1, 1941, all Federal employees who are members of subversive organizations or advocate the overthrow of the Federal Government, and to report its findings to Congress.

Notwithstanding this mandate, the then Attorney General, Hon. Robert Jackson, determined the following policy for the Federal Bureau of Investigation. In my opinion, Mr. Jackson's policy hamstrung the positive mandate of Congress.

On page 14 of the hearings for the Department of Justice supply bill for 1943, the new Attorney General, Hon. Francis Biddle, reported the policy adopted by former Attorney General Jackson in the following statement. I quote Mr. Biddle:

Please do not think that I am critical of my predecessor. I am not in any sense critical. But you are always improving and changing your technique.

Therefore, before this was instituted, the practice had been, in order to disrupt the organization of the Department as little as possible, to write to the Department head and say, "We have information that John Jones is subversive. Therefore, when we get your approval, we will go ahead with the investigation."

It seemed to me on studying the mandate of the Congress that that was not the proper thing to do. The Congress said that the Federal Bureau of Investigation should make this investigation. They gave them \$100,000, and they told them to report.

Therefore the method was changed. It took a little work with the department heads, but they all agreed to it. The method was changed and was expressed in this letter.

For all practical purposes Mr. Jackson's policy directed Mr. Hoover to delay the investigation in any department until the department head permitted the investigation. The mandate of Congress was practically nullified until October 22, 1941, over 3½ months' delay.

When Mr. Biddle changed this policy the following results have been obtained by the Federal Bureau of Investigation. I quote the testimony of J. Edgar Hoover on page 126 of the Department of Justice hearings on the 1943 supply bill:

Since the clarification of the expedited procedure authorized on October 22, 1941, the Federal Bureau of Investigation has disposed of 656 such cases by investigation with the following results:

1. Determined no longer to be Government employees.....	387
2. Reports sent to employing agencies after completion of investigation:	
(a) Not answered.....	189
(b) Answered:	
No action deemed warranted by employing agencies.....	69
Discharged.....	11

The sources of names upon which investigations were initiated are carefully analyzed by the Federal Bureau of Investigation, and investigations are not initiated except where there is some substantive allegation against the employee of the Federal Government.

The total number of cases for investigation received to date is 3,695, which are analyzed as follows:

A. Total number of names appearing on the list submitted by Congressman MARTIN DIES to the Attorney General:	
1. Employees of the War Department, Navy Department and District of Columbia	130
2. Members of organizations not yet declared subversive by the Department	305
3. To be investigated on the Dies list	686
	<hr/> 1,121
B. Cases of persons whose names do not appear on the above list—cases initiated by the Federal Bureau of Investigation on the basis of complaints received from various sources:	
1. Employees of War Department, Navy Department, and District of Columbia	146
2. To be investigated	2,428
Total	<hr/> 2,574

It will be noted that the War and Navy Departments are investigating their own personnel under authority of the delimitation agreement entered into between G-2 Office of Naval Intelligence and the Federal Bureau of Investigation, which was based upon the Presidential directive of September 6, 1939, with reference to the handling of espionage, sabotage, and subversive activities. District of Columbia employees are not considered Federal employees within the purview of Public Law No. 135, Seventy-seventh Congress, under a ruling of the Attorney General.

You can see from this report of 269 employees by Mr. Hoover's organization only 11 persons have been discharged by the department heads, or 4 percent of the total.

In the cases of 69 of those so reported by the F. B. I. the department heads determined no action was warranted, and apparently these individuals will remain on the Federal pay roll unless Congress breaks the bottleneck. In 189 cases the department heads have not even seen fit to give the F. B. I. or the Department of Justice the courtesy of a reply. The department heads have ignored 95 percent of the F. B. I. report.

Remember that the positive mandate of Congress required a report of the findings direct to Congress. Hon. Francis Biddle, the Attorney General, established a policy requiring the F. B. I. to report to the department heads. You can see from the report of J. Edgar Hoover that his reports to the department heads of subversive employees and members of subversive organizations which advocate the overthrow of the Federal Government does not separate them from the toil and sweat of the American people who do not want these enemies of our way of life on the Federal pay roll.

The department heads do not consider 70 percent of the names given them by the F. B. I., your Government's highly trained and efficient fact finders for presentation of criminal cases, as worthy of any action to be taken by them, or worthy of any reply to the Department of Justice.

Here is the nub of what this bill I am introducing today will correct.

Mr. Biddle established the policy on October 22, 1941, as reported in the hearings on the supply bill, page 14. I quote Mr. Biddle:

Therefore, we said to the Department, "We will make the examination ourselves without giving you any notice. When the file is completed we will send the information to you, and then you must take action one way or the other."

This policy adopted by Mr. Biddle is not warranted in the face of the positive action of Congress in adopting the Jones amendment. The congressional action did not contemplate reporting the facts to the department heads, but to Congress. The report of J. Edgar Hoover shows that Mr. Biddle's unwise and unwarranted policy of reporting his findings to the department heads is fruitful of no results, and the people of the United States and Congress are hamstrung by the time it requires for Mr. Hoover to send his report to the department heads with 4-percent results. Remember, the department heads discharged as a result of the F. B. I. report 4 percent of the employees who have been reported, or 11 persons.

I have confidence that if the report is made to Congress forthwith, Congress will take positive action as the supply bills for each department, agency, and independent establishment are brought before it for consideration to eliminate the F. B. I. list of undesirable employees, since the department heads have failed to act on 95 percent of the cases.

I discussed this matter with the Attorney General on the 13th of January 1942 in regard to making an immediate report to Congress, and I quote from page 19 of the hearings:

Mr. JONES. I do not think it is a good idea, in view of some department heads having a tendency to turn under your reports on the ground of their being too busy, to keep from reporting that to the Congress.

Mr. BIDDLE. I am not sure about that. I would like very much to get you gentlemen's view after talking to Mr. Hoover. I think it might be wise to make an immediate report. I am not at all sure.

Our first thought was that we had better do the substance of the job and give you the whole picture, particularly as I was new. I did not start until after October. But I would like to have your advice about that. It might be that Mr. Hoover has gotten to the point where now it would be a very helpful thing within the next 2 weeks to give you the progress of the thing. I would like to have your judgment after you talk to Mr. Hoover of just what you want.

What would your feeling be about that, Mr. Jones?

Mr. JONES. I think that the report ought to be made, in view of the fact that the time has run over such a long period since the first Dies committee report was made. I think that Congress sought to be able to take action in the way of a positive enactment during this coming session.

Mr. BIDDLE. Yes; I think I agree with you.

Forty-two days ago I said, "I think that Congress ought to be able to take action in the way of a positive enactment during this coming session," and Mr. Biddle agreed with me. However, after a lapse of 42 days, no report has been forthcoming.

Supply bills for several agencies are yet to be passed by the House and Senate. If this report is delayed further, Congress is losing valuable time in eliminating the enemies of our way of life from the Federal Government pay roll.

Bear in mind that to date the reports of the F. B. I. referred to were Federal employees originally on the Dies list. Some of them were reported over 2 years ago. Now they are reported again by the F. B. I. to the heads of the department, and only 4 percent of these enemies are off the pay roll. Three hundred and eighty-seven apparently ran when they saw the F. B. I. coming.

This is a little less than tragic, and I think stronger language would apply. Were we not in war I would use stronger terms in describing my feelings. I am not so sure that some positive action should be taken against department heads, agency heads, and independent establishment heads, who by inertia or otherwise refuse to take immediate action, both upon the Dies list and the F. B. I. report.

I sincerely hope that the committee to which this bill is referred will give it an immediate hearing and that Congress will pass the bill to preserve the American way of life.

If the F. B. I. report clears all these Federal employees to their entire satisfaction, it is just as important for Congress and the people to know that fact. The guilty should be fired and the innocent should have their names cleared now. One way or the other, Congress should have the F. B. I. report without delay.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. THOM, for today, on account of death in family.

To Mr. PEARSON (at the request of Mr. COOPER), for the remainder of the week, on account of illness.

EXTENSION OF REMARKS

(By unanimous consent, Mr. MILLS of Arkansas was granted permission to extend his own remarks in the RECORD.)

ORDER OF BUSINESS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to ask the majority leader when the bill relating to the Women's Auxiliary Army Corps will be taken up? There are very few women employed in war production or the war movement today. Very few compared with those employed in the World War and today the war is fraught with far greater danger to the United States. Hundreds of women have asked for a chance to serve their country by enlisting. Many women have asked to come in and hear the debate on the bill. Can the majority leader tell me when it will come up?

Mr. McCORMACK. As the gentleman from Massachusetts [Mr. MARTIN] knows, I am very anxious to bring the bill up.

Mrs. ROGERS of Massachusetts. I am sure of it.

Mr. McCORMACK. As a matter of fact, I announced several days ago that it would be brought up when a rule was

reported out. Then three or four rules came out all together. I placed them in the order of their importance. I stated last week this present bill under consideration would be taken up first; then the war-risk property-insurance bill next, and the Rogers bill after that. That is the order. However, that order is always subject to appropriation bills, as the gentleman from Massachusetts well knows. On Monday of next week we will have the Department of Agriculture appropriation bill. Then after that we will have the War Department civil-functions appropriation bill; and after that the legislative appropriation bill. After those are disposed of, then the war-risk property-insurance bill and the Rogers bills will come up. I will adhere to my promise.

Mrs. ROGERS of Massachusetts. The Army is so anxious to have the bill, particularly so far as air-warning and filter-station operators are concerned, and with the recent alert in Washington and the alert on the west coast, it seems to me it is one of the most vital war measures today, much more vital than agriculture.

Mr. McCORMACK. Of course, the appropriation bills have the right-of-way, and that will come up on Monday. The gentleman from Massachusetts has been here a few years longer than I have and she is aware of the fact that appropriation bills take precedence.

Mrs. ROGERS of Massachusetts. I know the gentleman will do everything in his power to bring it up, because he realizes the extreme need.

Mr. McCORMACK. I assure the gentleman that I hope it will be brought up as quickly as possible.

LEAVE OF ABSENCE

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to absent myself for the balance of the week on account of illness in my family.

The SPEAKER. Without objection it is so ordered.

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2255. An act to establish a policy with respect to the disposition of agricultural commodities acquired by the Commodity Credit Corporation; to the Committee on Agriculture.

ENROLLED BILL SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5880. An act to abolish certain fees charged by clerks of the district courts; and to exempt defendants in condemnation proceedings from the payment of filing fees in certain instances.

BILL PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5880. An act to abolish certain fees charged by clerks of the district courts; and to exempt defendants in condemnation proceedings from the payment of filing fees in certain instances.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned until tomorrow, Friday, February 27, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

POSTPONEMENT OF HEARING ON H. R. 6503

This will advise you that the hearings previously scheduled for Tuesday, February 17, 1942, at 10 a. m., have been postponed until Thursday, March 5, 1942, at 10 a. m., on the following bill, H. R. 6503, to extend and amend certain emergency laws relating to the merchant marine, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1441. A letter from the Secretary of War, transmitting an itemized report of the proceedings of the American National Red Cross for the fiscal year ended June 30, 1941; to the Committee on Military Affairs.

1442. A letter from the Administrator, Federal Works Agency, transmitting the Second Annual Report of the Federal Works Agency and its constituent administrations and authority for the fiscal year June 30, 1941; to the Committee on Expenditures in the Executive Departments.

1443. A communication from the President of the United States, transmitting in the form of amendments to the Budget for the fiscal year ending June 30, 1943, two supplemental estimates of appropriations for the Panama Canal, to remain available until expended, totaling \$29,223,200, of which \$7,493,200 is to be made available (H. Doc. No. 640); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NICHOLS: Select Committee to Investigate Air Accidents. House Resolution 125, Seventy-seventh Congress, first session. Resolution creating a Select Committee to Investigate Air Accidents; without amendment (Rept. No. 1827). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 449. Resolution to provide for the financing of the War Damage Corporation, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes; without amendment (Rept. No. 1828). Referred to the House Calendar.

Mr. FULMER: Committee on Agriculture. H. R. 5636. A bill to expedite the settlement of claims and accounts incident to certain agriculture adjustment programs, and for other purposes; with amendment (Rept. No. 1831). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee of conference on the disagreeing votes of the two Houses. H. R. 6446. A bill to provide for continuing of payment and allowances of personnel of the Army, Navy, Marine Corps, and Coast Guard, and for other purposes; without amendment (Rept. No. 1832). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 5762. A bill granting an increase of pension to Mollie Alexander; with amendment (Rept. No. 1829). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 5918. A bill granting an increase of pension to Ethel H. Chaffee; without amendment (Rept. No. 1830). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLIS:

H. R. 6679. A bill to change the name of the Norfolk Dam to Douglas MacArthur Dam; to the Committee on Flood Control.

By Mr. JONES:

H. R. 6680. A bill to provide for an immediate report to Congress by the Federal Bureau of Investigation with respect to investigations heretofore made by it of certain employees of the Federal Government; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H. R. 6681. A bill to subject Indians of the State of California to the laws of that State; to the Committee on Indian Affairs.

By Mr. DOUGHTON:

H. R. 6682. A bill to suspend in part the processing tax on coconut oil; to the Committee on Ways and Means.

By Mr. SWEENEY:

H. R. 6683. A bill to provide a judicial method of trying charges against postal employees; to the Committee on the Post Office and Post Roads.

By Mr. BATES of Kentucky:

H. R. 6686. A bill to furnish each person in the armed forces of the United States on active duty with one package of cigarettes per week; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of San Juan, P. R., memorializing the President and the Congress of the United States to consider their Senate resolution dated February 9, 1942, relative to the brutal and treacherous attacks on Pearl Harbor and the Philippine Islands; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. O'TOOLE:

H. R. 6684 (by request). A bill for the relief of August Michela, infant; to the Committee on Claims.

By Mr. VAN ZANDT:

H. R. 6685. A bill authorizing the President to present a Congressional Medal of Honor to Gen. Douglas MacArthur; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2492. By Mr. MERRITT: Resolution of the Carbloc Paving Corporation of Brooklyn, N. Y., requesting that in the future all asphalt pavements the War Department may lay for roads in Army bases, runways on airports, supply roads, or whatever may be necessary in the line of highway building, be built by contractors' forces and not by Government forces; to the Committee on Military Affairs.

2493. By Mr. ROLPH: Resolution of the Allied Automotive Industries of California, Ltd., at San Francisco, relative to federalization of unemployment insurance program; to the Committee on Ways and Means.

2494. By Mr. WOLCOTT: Petitions and resolution adopted by the Common Council of Marine City, Mich., to amend section 451 of the Tariff Act of 1930, as set out in House bill 4768; to the Committee on Ways and Means.

2495. By the SPEAKER: Petition of the Congress of Industrial Organizations, Washington, D. C., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 27, 1942

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord, our heavenly Father, we pray Thee to enter into the holy land of our souls and allow nothing to tarnish them that we may love Thee and hate only evil. Cleanse us from all unrighteousness and renew a right spirit within us that we may be deeply conscious of the eternal truth that whatsoever a man soweth that shall he also reap. He who sows hate, resentment, or anger shall have forgiveness and love thrust out of his life. Many a green and fruitful isle shall blossom in our sea of sorrow when watered by the "well of life," springing out of the surge which beats against the soul.

We praise Thee, Almighty God, that somewhere in the pilgrimage of life there is a merciful fountain for smoothing the pathway and cleansing the dust from the wings of the soul. O do Thou continue to abide with us, ever affirming that Thou art with us and will hold human nature to its native simplicity and dignity. Oh, help us to catch the vision of transfigured sorrow and sanctified suffering, of conquered fears and immortal hopes; and Thine shall be the glory and praise forever. Through Christ, our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 691. An act for the relief of Richard Bove;

H. R. 794. An act for the relief of Catherine Ward;

H. R. 962. An act for the relief of Multnomah County, Oreg.;

H. R. 1060. An act to vest absolute in the city of Dearborn the title to lot 19 of the Detroit Arsenal grounds subdivision, Wayne County, Mich.;

H. R. 1647. An act for the relief of William H. Dugdale and wife;

H. R. 1755. An act for the relief of C. M. Sherrod and Daisy Mimms, administratrix of the estate of Arthur Mimms;

H. R. 1793. An act to authorize mailing of small firearms to officers and employees of enforcement agencies of the United States;

H. R. 2300. An act to correct the description of land added to the Bryce Canyon National Park pursuant to the act of February 17, 1931;

H. R. 2302. An act to adjust the boundaries of the Cedar Breaks National Monument and the Dixie National Forest, in the State of Utah, and for other purposes;

H. R. 2428. An act for the relief of G. F. Brown;

H. R. 2460. An act for the relief of Ruth Steward, administratrix of the estate of Luther F. Steward;

H. R. 2718. An act for the relief of Jean N. Burton and Laura Jones;

H. R. 2908. An act for the relief of William H. Evans;

H. R. 2980. An act for the relief of National Heating Co., Washington, D. C.;

H. R. 3014. An act to accept the cession by the State of Michigan of exclusive jurisdiction over the lands embraced within the Isle Royale National Park, and for other purposes;

H. R. 3032. An act for the relief of J. G. Fox;

H. R. 3200. An act conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claims of W. M. Hurley and Joe Whitson;

H. R. 3433. An act for the relief of Bessie Pearlman and George Roth;

H. R. 3610. An act for the relief of Minnie C. Sanders;

H. R. 3697. An act for the relief of John E. Newman;

H. R. 3829. An act for the relief of Lonnie Bales;

H. R. 4010. An act for the relief of Thelma Carringer and others;

H. R. 4019. An act for the relief of John J. Jenkins;

H. R. 4336. An act to accept the cession by the State of Washington of exclusive jurisdiction over the lands embraced within the Olympic National Park, and for other purposes;

H. R. 4386. An act to provide for the addition of certain lands to the Isle Royale National Park, in the State of Michigan, and for other purposes;

H. R. 4414. An act for the relief of Andrew Wichmann;

H. R. 4626. An act for the relief of the legal guardian of Jane Hawk, a minor, and J. L. Hawk;

H. R. 4648. An act to amend the act of August 11, 1939 (53 Stat. 1418), entitled "An act authorizing construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the

United States," as amended by the act of October 14, 1940 (54 Stat. 1119);

H. R. 5026. An act for the relief of the Louis Puccinelli Bail Bond Co.;

H. R. 5413. An act to validate settlement claims established on sections 16 and 36 within the area withdrawn for the Matanuska settlement project in Alaska, and for other purposes;

H. R. 5481. An act to transfer Blair County, Pa., from the western judicial district of Pennsylvania to the middle judicial district of Pennsylvania;

H. R. 5545. An act for the relief of H. Earle Russell;

H. R. 5573. An act for the relief of Mrs. Noel Wright and Bunny Wright;

H. R. 5605. An act for the relief of Lt. Col. J. B. Conmy;

H. R. 5646. An act for the relief of Joseph Simon, lieutenant commander (SC), United States Navy, and R. D. Lewis;

H. R. 5865. An act for the relief of Builders Specialists Co.;

H. R. 6003. An act to amend an act entitled "An act providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes," approved June 20, 1938;

H. R. 6072. An act authorizing the States of Arizona and California, jointly or separately, to construct, maintain, and operate a free highway bridge across the Colorado River at or near Needles, Calif.;

H. R. 6107. An act to authorize the Commissioners of the District of Columbia to permit the vestry of Rock Creek Parish to utilize for burial sites certain land within its present holdings in Rock Creek Cemetery;

H. R. 6270. An act to amend subsections (b), (d), and (e) of section 77 of the Judicial Code so as to transfer the county of Meriwether from the Columbus division of the middle district of Georgia to the Newnan division of the northern district of Georgia, and to change the terms of the district court for the Macon and Americus divisions in the middle district of Georgia;

H. R. 6332. An act to revise the boundaries of the Chickamauga-Chattanooga National Military Park in the States of Georgia and Tennessee;

H. R. 6536. An act to change the name of Conduit Road in the District of Columbia;

H. J. Res. 231. Joint resolution to approve and authorize the continuance of certain payments for the hospitalization and care of Leo Mulvey, and for other purposes; and

H. J. Res. 260. Joint resolution to authorize the United States Maritime Commission to acquire certain lands in Nassau County, N. Y.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 3761. An act for the relief of Mrs. Willie M. Maye;

H. R. 3966. An act for the relief of Estella King;

H. R. 4355. An act for the relief of Bella Cosgrove;

H. R. 4401. An act to provide for the establishment of a commissary or canteen at Glenn Dale Sanatorium, Glenn Dale, Md.;

H. R. 4557. An act for the relief of the estate of Mrs. Edna B. Crook;

H. R. 4665. An act for the relief of Harry Kahn;

H. R. 5290. An act for the relief of Mrs. Eddie A. Schneider;

H. R. 5458. An act to amend the Organic Act of Alaska;